Daily Report

Latin America

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FBIS-LAT-95-089 *9 May 1995*

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Central America, Colombia, Venezuela Stop Trade Talks

PA0705235595 Paris AFP in Spanish 1831 GMT 5 May 95

[FBIS Translated Text] San Jose, 5 May (AFP) — Central America has stopped negotiations for a free trade treaty with Colombia and Venezuela because of serious disagreements in the area countries' tariff policies.

Costa Rican Deputy Foreign Trade Minister Francisco Chacon has told LA NACION that the Central American governments decided to suspend negotiations with the economic authorities of Colombia and Venezuela until the Central American countries agree on a single tariff policy.

The creation of a free trade zone between Central America and the Group of Three [G-3], made up of Mexico, Colombia, and Venezuela, was agreed upon during a summit of the presidents of these countries in Caracas in February 1993.

The talks with Colombia and Venezuela stagnated during the past few months. Last year, the talks focused on signing a free trade treaty with Mexico. So far, however, only Costa Rica has succeeded in joining the agreement with Mexico.

After the outbreak of the Mexican crisis in December 1994, the Central American countries decided to wait and stop the negotiations with Mexico.

Chacon said that, at the beginning, the talks with Colombia and Venezuela were making good progress but that serious disagreements emerged later in Central America regarding customs regulations in countries of origin and agricultural sector tariffs.

The Central American tariff policy has changed significantly in the past few months because the Salvadoran Government favors reducing raw materials tariffs down to zero and the finished products tariffs down to 15 percent. On the contrary, the Costa Rican Government last month raised its tariffs by eight percentage points with the purpose of setting the raw materials tariff at 13 percent and the finished products tariff at 28 percent as a source of revenue to reduce the fiscal deficit, which in 1994 amounted to 8.3 percent of the GNP. Chacon told LA NACION: "Costa Rica will negotiate no commercial agreement until and unless its fiscal problem is solved." He added that, for the time being, his country is not interested in resuming negotiations with Venezuela and Colombia.

Costa Rican businessmen think that a commercial agreement with Colombia and Mexico is not good for their country. For this reason, they endorse the Central American governments' decision. "We have not concluded an agreement with Mexico. In addition, we have serious domestic problems," Miguel Schyffter, president of the Costa Rican Chamber of Industries, said.

More than in Venezuela and Colombia, the governments and the business sector want to prepare for establishing a great free trade zone in the hemisphere, agreed upon in the Summit of the Americas held in Miami in December.

Ministers Assess Progress on Americas Summit Pact

PA0805155895 San Salvador LA PRENSA GRAFICA in Spanish 6 May 95 p 4a

[FBIS Translated Text] Delegations from 17 countries and international organizations began meeting yesterday to assess progress toward agreements made during the Summit of the Americas to transform the continent into a politically and economically stable free-trade zone.

The meeting is being chaired by Alexander Watson, U.S. assistant secretary of state for inter-American affairs, who said prior to the event that "he anticipated positive results."

This will be the second meeting of the "Commitments Review Group," which comprises representatives from the Rio Group, the Caribbean Community (Caricom), Central American nations, as well as Mexico, Canada, and the United States. Representatives from the OAS, Inter-American Development Bank, and the Panamerican Health Organization (PAHO) have also been participating in the sessions.

The Summit of the Americas was held in December of last year in Miami, United States, and several agreements were reached with respect to preserving and advancing democracy, economic integration, and free trade; eradicating poverty and discrimination; ensuring conditions for sustainable growth; and protecting the environment. The first meeting of the "Commitments Review Group" was held last March in Washington.

At the start of the event, Salvadoran Foreign Minister Oscar Santamaria said: "This meeting is very significant because it proves once again the hemispheres' willingness to provide continuity to the Summit of the America agreements and to a plan of action for concrete steps toward continental solidarity within a framework of cooperation."

The primary interest in examining the progress made so far is to prepare a joint report that will include an overall balance of all commitments, which will be presented at the continent's foreign ministers meeting in June in Port-au-Prince, Haiti.

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The Summit agreements basically have three aspects: matters related to each country's internal issues, hemispheric issues, and issues related to international organizations.

Peruvian Foreign Minister Jose Antonio Bellina made a broad assessment of the progress toward agreement compliance, which he described as "positive" in view of fact that the document was signed only a short time ago, and said that "the work includes all three aspects."

"Each country has been adjusting and putting a great deal of effort into developing the agreements made at the Summit in accordance with their respective capabilities," Bellina emphasized.

The Peruvian foreign minister emphasized that this meeting is one of "follow-up" to commitments already agreed upon, therefore no further agreements will come out of it. He added: "It does not mean we are preparing a factual, concrete, and politically significant document for the OAS meeting in Haiti."

In this respect, Salvadoran Deputy Foreign Minister Victor Lagos indicated that a "draft" report that includes all progress made is being prepared and will be presented to the continent's foreign ministers.

Although Lagos agreed that progress had been made on the issue, he also acknowledged that "with respect to several issues, it was obviously impossible to show progress in only five months. This is an action plan designed, at the earliest, for 10 years," he stated.

As part of the progress made in the northern part of the hemisphere, the deputy foreign minister alluded to plans to take advantage of Central American tourism, just as the northern nations have been able to do.

In addition, he stated that El Salvador's "initiative" in economic issues had been acknowledged "since progress had been made to ensure customs deregulation as an economic platform for social development."

One of the main objectives agreed upon at the Summit of the Americas was to steer the continent toward a free trade zone by creating an "American Common Market."

Calderon Sol Meets With Watson

President Calderon Sol met privately yesterday with Mr. Alexander Watson, U.S. assistant secretary of state for Inter-American Affairs, and with U.S. Ambassador Alan Flanigan to discuss "bilateral issues."

According to an official communique, the issues discussed by both officials included foreign issues and trade policies, in addition to covering matters related to progress on the Summit of the Americas agreements.

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Cuba

Panel Debates Impact of Migration Accord

FL0805231895 Havana Radio Rebelde Network in Spanish 1600 GMT 8 May 95

["Straight Talk" program with host Juan Carlos Roque Garcia and guest Eddie Jimenez — live or recorded]

[FBIS Translated Text] [Roque] The joint announcement by Cuba and the United States of the agreement normalizing migratory relations has had widespread repercussions. The agreement has been extensively discussed in Cuba, is being extensively discussed in Latin America, and has of course created the most diverse reactions in the United States, where there are some people who support it and others who reject it.

I will invite Eddie to discuss the repercussions in Cuba first.

[Jimenez] The repercussions have been widespread. The most reactionary sectors in the United States have expressed their annoyance. Yet, generally speaking, there is a rebirth of hope. There is hope that dialogue will prevail over confrontation in bilateral relations between the United States and Cuba. I will go no further on the decision of our government and all sensible Cubans. I will try to offer my views on the positive reception the agreement has received in the international community and on the controversy generated in the United States. Yet....

[Roque, interrupting] Excuse me, but I was inviting you to begin at home.

[Jimenez] Yes, I will begin at home. I believe that before addressing that issue, however, we must make it clear that the principal triumph for Cuba — although I believe that we have all won: Cuba, the international community, and the United States — has been the normalization of migratory treatment to Cubans for the first time since 1959.

The United States — ideology notwithstanding — is giving Cuba the same migratory treatment given to any other country in the world. The agreement reached in 1994 regarding an annual quota of immigrants is still in effect and advocates the repatriation of illegal immigrants arriving in the United States, as is common procedure with all illegal aliens, whether they are from the Dominican Republic, Colombia, or anywhere else. Cuban people will not be discriminated against; they will be treated the same as all other immigrants.

In addition, this acknowledges that our emigration is economic, not political, as they have tried to portray it for the past 10 years. The repatriation of illegal aliens validates the notion that people who have illegally taken a boat or built a raft for the United States are not doing this because of political persecution.

[Roque] This normalization of migratory relations is a tacit acknowledgement that we must separate migration from politics. The issue of immigration was politicized in the United States, and, as we have pointed out in Straight Talk many times, that led to our politicizing the issue.

[Jimenez] It has an effect on the Cuban family. I was specifically going to discuss this situation.

[Roque] Nowadays, people cannot go to the United States as temporary residents; they must go as permanent residents. This is still part of the conflict between Cuba and the United States. The agreement will therefore help normalize this situation, and Cubans will be able to receive the same treatment as temporary residents of Spain, England, or China, for instance.

[Jimenez] They acknowledged that these people are not political, but economic refugees who are seeking the economic opportunities they believe they will find, or will reunite with relatives in the United States.

[Roque] To the migratory treatment provided by the agreement, I would add that the decision to solve the situation of rafters in Guantanamo brings peace to many Cuban homes, to the many families concerned about the fate of relatives in Guantanamo. Mothers or close relatives of Cubans who were able to leave Guantanamo and enter the United States speak of it as an accomplishment, a real triumph. They were sorry to see their relatives leave in rafts, were happy to know that they arrived alive, and are now even happier to know that the rafters were able to leave Guantanamo.

[Jimenez] Not only in the case of people with close relatives in Guantanamo. I would say that in general, everyone is happy. Before addressing the international impact of the agreement, I can tell you that the people have welcomed the announcement because in the long run, even if the blockade and all kind of aggressions continue, the agreement proves that there are less retrograde sectors in the United States with whom we can talk. We are willing to continue talking with them, but it all depends on the political will of the United States. This leads us to believe that in the end, logic will prevail in relations between Cuba and the United States.

[Roque] Let us hope that is true. I recently discussed with Renato Recio, and with you, the flipflopping of U.S. policies and how it is tied to the electoral process. Now we find — 180 degrees opposite such a civilized, logical, humane decision — the Helms-Burton Bill, which is the direct opposite — is troglodyte, pitiless,

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and fascist. However, that is a usual flipflop in U.S. policies, and it our fate to have them as neighbors.

[Jimenez] Other countries in this hemisphere, particularly in Latin America, have all welcomed the accord because it is a more [words indistinct]. The permanent vortex of tensions in the Caribbean does no one any good. These accords represent an important grain of sand in alleviating those tensions.

Since the triumph of the Cuban Revolution, all of Latin America has been a little freer, and the United States has had to make concessions to the rest of the countries of Latin America and the Caribbean in an effort to curb the ideological drive of the Revolution. This has given Latin America greater negotiating leverage. I would add that the most enlightened, or most rational sectors of the Latin American bourgeoisie are aware of that. And now that Cuba is a retaining wall, they need the Cuban Revolution to survive, and even the United States and Cuba to reach an agreement. Some Latin American businessmen already have economic interests in Cuba, which they wish to maintain and further expand. This tiny grain of sand has thus reduced tensions, and Latin America in general can now breathe a little easier.

[Roque] This also makes a migration exodus like last year's less likely.

[Jimenez] Of course.

[Roque] This might have put the hemisphere on the verge of war.

[Jimenez] It is obvious that accords of this nature are reached at the highest levels. Wayne Smith, chief of the U.S. Interests Section in Cuba, specifically stated that moderate sectors in the United States won a round, and the fact that it excluded the [word indistinct] is an encouraging sign. Seen as Smith stated, a view I agree with, it is logical for U.S. politicians to be divided into two factions regarding this controversial issue. On one hand you have the government realistically stating that the accord was needed for several reasons: It prevents a possible illegal exodus to the United States. We have to remember that right now, U.S. society is experiencing very strong anti-immigrant feelings. The government also stated that in this manner, a satisfactory, humanitarian solution had been found for the 20,000 Cubans living at Guantanamo at a cost to U.S. taxpayers of $1 million a day, in addition to the cost of the 6,000 U.S. soldiers guarding them.

The day after the announcement of this accord, President Clinton presented before Congress a bill calling for the repatriation of undocumented foreigners, contemplating sentences of up to 20 years in jail to traffickers of immigrants, and fines of $500 a day. The U.S. Government is making it clear that its decision regarding Cuba is coherent and consistent with its policy on illegal immigration, and this already during the course of the presidential electoral struggle. This is going to be good for Clinton. Major media outlets such as THE NEW YORK TIMES and THE WASHINGTON POST have applauded this new policy.

On the opposite side, the most reactionary sectors — THE MIAMI HERALD, the Miami Mafia — which for decades have made money on that unpatriotic policy, are logically enraged by the accords because they are facing the prospect of an end to a policy that for years fattened their pockets. They are at their wits' end.

[Roque] Or rather, the disappearance of their racket.

[Jimenez] Of course, precisely. Mas Canosa and Diaz-Balart see their interests crumbling. However, there are those within the Miami community who support the accords, including some counterrevolutionary sectors. This has to be said.

I believe NOTIMEX reported how the news was welcomed in Guantanamo. Those very reactionary sectors, headed by the Cuban American National Foundation, who claimed to worry so much about the fate of the Cubans at Guantanamo, are now attacking the accords and withdrawing their support of programs to bring the rafters to the United States.

[Roque] They are disavowing themselves.

[Jimenez] Of course.

[Roque] The very ones who travelled to Guantanamo to campaign.

[Jimenez] Precisely. This shows their true interests — clearly not at all humanitarian, but materialistic, and not very honest.

[Roque] Yes. I believe them not only not very honest, but they are also toying with human lives.

[Jimenez] Exactly.

[Roque] They are playing with human lives. I believe those traveling to Guantanamo, such as those senators born in Cuba by mistake, including Ileana Ros-Lehtinen, etc., who now take this position, are completely dishonest and inhumane.

Fidel: Helms-Burton Bill Raises Peoples' Awareness

FL0805162995 Havana Radio Rebelde Network in Spanish 1100 GMT 8 May 95

[From the "First Thing" program]

[FBIS Translated Text] During a news conference at the reception given for Bolivian Foreign Minister Antonio

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Aranibar, Commander in Chief Fidel Castro affirmed that the Revolution will one day have to thank the anti-Cuban Helms-Burton bill for the considerable degree of awareness it is generating among the Cuban people. Aranibar concluded his visit to Cuba last night.

In Havana, Bolivian Foreign Minister Aranibar highlighted the level of exchanges with Cuban Government officials, especially his meeting with Commander in Chief Fidel Castro, in which they discussed issues of mutual interest and international politics.

White House Official Cited on Clinton Support for U.S. Bill

FL0605190795 Havana Radio Rebelde Network in Spanish 1155 GMT 6 May 95

[From the "Doing Radio" program]

[FBIS Translated Text] President Bill Clinton's government has indicated that he might support some of the Helms-Burton bill's anti-Cuban measures and reject those that could affect U.S. relations with other nations. A White House spokesman has said that among the legal monstrosity's measures that Clinton supports are reinforcing the blockade of Cuba and securing the right of U.S. citizens to property that the Cuban Government has nationalized, including the property of rich Cubans who renounced their citizenship to integrate into U.S. society.

Editorial: Helms-Burton Bill 'Real Threat'

PA0805171795 Havana PRENSA LATINA in Spanish 1415 GMT 8 May 95

[FBIS Translated Text] Havana, 8 May (PL) — The bill promoted by U.S. legislators Jesse Helms and Dan Burton poses a real threat to every Cuban, an editorial in the weekly TRABAJADORES, official mouthpiece of the local unions, stressed today.

It is a real threat because it is not an accident in the history of U.S. hostility against Cuba. It seeks to be a solution of continuity, another tightening of the screws to stifle the Cuban population, the text adds.

The Helms-Burton bill seeks to intensify and internationalize the blockade against this nation by trying to prevent third countries, companies, and persons from trading or investing in Cuba, as well as to dismantle the work of the revolution.

The weekly indicates that the goal of the right-wing radicals has nothing to do with the national security of the United States or with hemispheric peace but seeks to lead the Cuban people, by force, toward capitalism.

The right-wing radicals seek to restore power to the annexationist and antinational middle-class, which in the past gave them absolute control over Cuba. Those who would now return thanks to the legislation will not do so as Senor So-and-So but as "Mister So-and-So," TRABAJADORES condemns.

"The serious harm this would cause to U.S. foreign relations allows us to see that there is an irrefutable element of despair in these imperialistic lucubrations," TRABAJADORES stresses.

What is driving Helms and his lapdogs up the wall — it noted — is the confirmation that the Cuban strategy of incorporation into the international economy is going well despite the blockade and that its society, amid the overwhelming difficulties brought about by that siege, maintains appreciable levels of governability, order, and unity.

The weekly recalls that the nationwide public hearings to analyze the anti-Cuban bill will be held at the same time as the workers' debate on the call to the 17th Congress of the Cuban Workers Federation (CTC).

That coincidence, it emphasizes, "will shed more light on the certainty that independence is only possible when it is indissolubly linked to social justice."

The toughest campaign against the Helms-Burton bill will not be limited to verbal rejection or the demonstration of its dangerous absurdity but will be also carried out in such areas as work, economics, politics, ideology, and defense, the editorial states.

Public Hearings in Media Centers Condemn U.S. Bill

FL0805163095 Havana Radio Rebelde Network in Spanish 1155 GMT 8 May 95

[Report by Holguin correspondent Geraldo Garcia; from the "Doing Radio" program]

[FBIS Translated Text] All municipalities are holding public hearings in condemnation of the U.S. bill aimed at exerting new pressure on the Cuban people. The Union of Cuban Journalists, the Cuban Institute of Radio and Television [ICRT], and radio and television stations in Holguin have begun holding these public hearings — these studies, these revolutionary workshops — in every radio, television, and news center. The Helms-Burton bill impacts our news media, and I gathered some opinions about what we should do, and what this intrusion means to the Cuban people, specifically regarding news media. Comrade Ivan Perez Concepcion, director of television in Holguin offered his opinion.

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[Begin Perez recording] One must recognize this is one more interference, one more act of aggression that aims to expand Radio and Television Marti, that sends its message of diversion that attempts to distort our way of life and thwart the work of the Revolution. They are assaulting us over the radio, the same as if it were a military act of aggression because they are treading on our independence, our country, and our dignity. This is not permissible, we cannot accept this meddling just as they have not accepted the Revolution. [end recording]

Due to the privileged position Radio Rebelde studio holds in the capital city of Holguin, the ICRT leadership has designated it as the site of a five-day public platform against the vulgar U.S. maneuver.

Castro Describes Ties With Bolivia as 'Positive'

PA0805041795 Havana PRENSA LATINA in Spanish 1118 GMT 7 May 95

[FBIS Translated Text] Havana, 7 May (PL) — Cuban President Fidel Castro described as positive the relations between his country and Bolivia, with which Cuba agreed to strengthen bilateral economic ties.

Attending a reception at the Bolivian Embassy in Havana, during which Cuban Foreign Minister Roberto Robaina and Bolivian Foreign Minister Antonio Aranibar Quiroga signed two agreements to bolster trade, the Cuban president said that the ties between the two countries are at a very high level.

Castro said that since he visited that country, on the occasion of the inauguration of President Gonzalo Sanchez de Lozada, and during a subsequent visit by Foreign Minister Robaina, the ties between the two nations have been strengthened.

The Cuban and Bolivian foreign ministers signed at the Bolivian Embassy in Havana agreements seeking to promote and protect reciprocal investments and a partial economic complementary agreement that will define in the coming six months the products that will be exchanged between the two countries.

Members of the Latin American diplomatic corps and officials of the Cuban Government attended the reception, during which Fidel Castro met with Aranibar Quiroga, who concludes a four-day visit to Cuba today.

Summing up the talks, Aranibar told PRENSA LATINA he was honored by the courtesy of the Cuban Government leader because "we see in it a sign of a political determination to strengthen our friendly ties."

Describing the bilateral relations as unequaled, the Bolivian foreign minister said he spoke with Fidel Castro about topics of bilateral interest and views at the multilateral level of countries "that are as closely united as traditional brothers."

Haiti

Presidential Decree Hikes Minimum Wage

PA0605011795 Port-au-Prince Signal FM Radio in French 1030 GMT 5 May 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] The latest news is the announcement of a presidential decree dated 4 May, which increases in the minimum wage to 36 gourdes. The Information Ministry advises workers and the public in general that, beginning on 1 June 1995, the minimum wage paid in all industrial, commercial, and agricultural factories will be set at 36 gourdes for an eight-hour working day. Minimum wages applied as of this date that are higher than the 36 gourde minimum wage remain in effect. This decision is outlined in a presidential decree dated 4 May, which will be published in the official government newspaper LE MONITEUR.

Presidential Decree Regulates Institute for Land Reform

PA0605011295 Port-au-Prince Radio Metropole in French 1600 GMT 5 May 95

[From "The Midday Newscast"]

[FBIS Translated Text] A presidential decree dated 29 April now regulates the organization and functioning of the National Institute for Land Reform created under Article 248 of the 1987 Constitution. The National Institute for Land Reform will go by the acronym INARA.

INARA is a public office enjoying administrative authority with its own legal character. The institute will be placed under the trusteeship of the Ministry of Agriculture, Natural Resources, and Rural Development. The decree will soon be published in LE MONITEUR with details concerning the mission and organization of INARA.

According to another presidential decree dated 20 April, Article 14 of a 28 March decree, which created the National Commission for Truth and Justice, will be modified as follows:

Article 14: The following commissioners are appointed: Mrs. Francoise Boucard, president; Mr. (Oliver Jackbun); Mrs. Ertha Elyse; Mr. Freud Jean; Mr. Rene Magloire; Mr. (Back Walildjahe); and Mr. Patrick Robinson.

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CEP President Discusses Electoral Registration Process

PA0605011495 Port-au-Prince Radio Metropole in French 1600 GMT 4 May 95

[From "The Midday Newscast"]

[FBIS Translated Excerpt] More than 3 million people have already gotten their electoral cards — an average of 70 percent of the Haitian electorate — according to a provisional assessment published by the Provisional Electoral Council [CEP].

Also, the CEP president confirmed the participation of more than 10,000 candidates in the upcoming elections scheduled for 25 June. Mr. Anselme assured that this date will not change. He added that the list of accepted candidacies will be published on 13 May in accordance with the electoral timetable.

CEP President Remy answered Clarens Renois' questions:

[Begin recording] [Remy] We have not yet made a final count. We are still working on it. We are feeding the data into the computers. I think that in the next few days we will have a general idea.

As you know, certain Communal Electoral Offices that are relatively distant from the capital have difficulties sending us those documents. But they have a deadline that expires Friday. Therefore, we think that on that night the public will be informed of the total number of candidates who registered their candidacies. As you may have noticed, there are about 11,000 individuals who have registered their candidacies. We have a partial list of political parties [words indistinct] that presented candidacies at different levels. [passage omitted]

[Renois] The next step, Mr. Remy, is not only the inspection but also the selection, according to the established criteria, of the candidates. According to your timetable, this is scheduled for 13 May. At this stage, do you think you can meet this deadline?

[Remy] We have no choice. This is what one could call a final date. One cannot... [pauses] moreover, the law requires this from us. One cannot do it without postponing the polling date again and without paying an extremely high cost for doing so.

[Renois] For you there is no possibility of postponing the polling date?

[Remy] This is out of the question. This is a decision that was made, and we are determined to comply with this deadline. [end recording]

RDNP Leader Views Participation in Elections

PA0905033595 Port-au-Prince Signal FM Radio in French 1030 GMT 8 May 95

[From "The Waking Up Newscast"]

[FBIS Translated Excerpt] With about 15 candidates for senator, 70 for deputy, and 77 for mayor, in addition to the Communal Section Administrative Councils [CASEC], the Assembly of Progressive National Democrats [RDNP], formed by Professor Leslie Francois Manigat, says it is determined to participate in the upcoming elections despite all obstacles. Abstention has never been a good policy, Ms. Myrlande Manigat pointed out on 6 May, during the "Moment of Truth" program. The senatorial candidate for the Department of the West says she fears that the executive might go it alone in the event of a general abstention. Ms. Manigat deems it necessary and natural for the RDNP to run in the elections in order to have the voice of her party heard.

[Begin Manigat recording, in Creole, in progress] ...the first thing is that for us to participate in elections is something natural. Unfortunately, in our country, there is a high degree of risk in elections: political risks, physical risks, a lot of risks. But we think it is the conitnuous holding of elections that will allow us someday to consider elections, no matter whether they are legislative, local, or presidential, as something that normal in the political life of a country. [passage omitted] [end recording] [passage omitted]

Michel Office Labels Excavations by U.S. Boat as 'Piracy'

PA0905032995 Port-au-Prince Signal FM Radio in French 1030 GMT 8 May 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] A U.S. boat has been carrying out suspect excavations in the north of the country. The office of Prime Minister Smarck Michel denounced over the weekend the suspect and interfering excavations by a boat sailing under the U.S. flag — the Silver Lust — in the north of the country, more precisely in Cap-Haitien. Those excavations that the office of the prime minister labels as piracy are archaeological digs in the sea of Cap-Haitien, they have explained. It should be noted that no official authorization was given for this kind of search, the press office of the prime minister said this weekend.

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Jamaica

Budget Approved for 1995-96

FL0505154795 Bridgetown CANA in English 1410 GMT 5 May 95

[FBIS Transcribed Text] Kingston, Jamaica, May 5, CANA — The Jamaican parliament this week formally approved the government's J81.34 billion (1J = approx. 3 U.S. cents) with Finance Minister Omar Davies assuring the country of sound financial management for 1995/96. "We have a fully-funded budget," said Davies in formally closing the two-week budget debate Tuesday night.

As part of the drive to fund the budget, Davies had two weeks earlier announced new taxation measures including a two and a half per cent increase in the General Consumption Tax which will bring in 2.233 billion in new taxes.

Davies has also promised that the government will be striving to hold inflation at 1 per cent per month for the fiscal year, achieve economic growth of three per cent compared to 0.8 per cent in 1994/95 while maintaining tight fiscal discipline.

During the budget debate Prime Minister Percival Patterson also detailed a number of new initiatives to alleviate poverty and encourage investment.

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Peasant Leaders Reject U.S. Anti-Migrant Policy

PA0905031595 Mexico City NOTIMEX in Spanish 0156 GMT 8 May 95

[FBIS Translated Text] Mexico City, 7 May (NOTIMEX) — Mexican peasant leaders rejected today the anti-migrant measures adopted by the United States and demanded that the Government of Mexico defend the rights of fellow Mexicans in the neighboring northern country.

Alvaro Lopez, leader of the Permanent Agrarian Congress (CAP), has told the press that the "Mexican Government has the political and moral obligation to defend those who have been thrown into the ranks of unemployment."

Speaking at the closing of the Proposals Ratification Forum of the peasant sector for the formulation of the 1995-2000 National Development Plan, the CAP agreed to draft a declaration in defense of rural workers adversely affected by said measures, which "undermine bilateral relations."

The toughening of the policy of U.S. President William Clinton toward immigrants will deepen poverty, because each year about $8 billion are sent to families in Mexico by their relatives in the United States.

Should this income be lost, thousands of families would be left homeless, because it is for many families their main source of income. To protect Mexicans affected on both sides of the border, the CAP proposed to reopen the discussion of the NAFTA.

This proposal was made to include in NAFTA a chapter on migratrory workers.

He considered the U.S. position "regrettable and condemnable," especially because of the serious crises Mexico and other Latin American countries areexperiencing.

To try to resolve the migratory problem with xenophobic measures will radicalize other persecution and discriminatory measures, he added.

Jose Luis Aguilera, senator and leader of the General Union of Workers and Peasants of Mexico, comprised of the [words indistinct] CAP, stated that Clinton's proposal "has a political motivation that will bring political dividends."

"This measure hampers the goodneighborly ties and blocks the relations of cooperation and mutual support maintained until today with the participation of Mexicans in the U.S. countryside, an indispensable workforce for U.S. agricultural regions," he remarked.

Meanwhile, Beatriz Paredes, leaders of the National Peasant Confederation, admitted that every Mexican, and particularly peasants, is sensitive to this type of initiative.

Paredes highlighted that the repression against the immigrants announced by William Clinton deteriorates bilateral relations.

Secretary Affirms No Delay in NAFTA Implementation

PA0605225195 Mexico City EL FINANCIERO in Spanish 5 May 95 p 17

[Report by Jaime Hernandez]

[FBIS Translated Text] Carlos Ruiz Sacristan, who heads the Communications and Transportation Secretaroat (SCT), affirmed that there will be no change in the terms for NAFTA's implementation, as demanded by the country's cargo transporters. "NAFTA stays as it is," he said.

Regarding the reduction of highway toll prices, another of the demands that the National Chamber of Cargo Transporters (Canacar) [Camara Nacional de Autotransportistas de Carga], the secretary said that such tariffs would not be standardized, "as this would take us back to the old regulatory systems that are extremely damaging."

On the restrictions for owning a motor vehicle, he said that to make the requested changes would also require the law to change.

— During a Canacar extraordinary national meeting, Ruiz Sacristan was asked: Will the SCT answer the demands presented by Canacar?

— He answered: Of course. We already have. Of the 18 demands on the list, 15 have been given specific answers.

"There are still three issues: one is vehicle ownership, another is NAFTA, and the third has to do with toll tariffs. "

— Will the terms for NAFTA be extended with the entry of traffic at the northern border?

— NAFTA stays as it is. The tariff problem has to do with competition within the sector itself. Unfortunately, there is an oversupply of cargo vehicles and a shrinking demand. The solution, however, is not to have one tariff for all, because this would take us back to the old regulatory systems that are extremely damaging."

However, Canacar President Bernardo Lijtszain said that the group will continue to demand a postponement of the NAFTA implementation date for cargo transportation. "Why should we compete if we are not on the same terms with the United States?"

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Another of the Canacar demands is the establishment of a tax on diesel fuel as the only way of eliminating highway tolls. "Unfortunately, we do not know why no one will listen to us."

If no answer is received, he said, "we will continue to use the federal highway system, but we will demand that the government keep them in good repair, in order to travel in safety."

During the meeting, Carlos Ruiz Sacristan acknowledged that the "country's economic situation had seriously affected several cargo highway projects and makes it difficult for us to meet our obligations in a timely manner."

Trade Secretary: No Need To Modify NAFTA

PA0905034795 Mexico City NOTIMEX in Spanish 0051 GMT 9 May 95

[FBIS Translated Text] Mexico City, 8 May (NOTIMEX) — Mexican Commerce Secretary Herminio Blanco denied that it is necessary to modify NAFTA because it has enabled an increase in the country's export capability and the creation of jobs.

According to the official, the trade agreement has made it possible to neutralize the negative effects of the crisis that has been prevailing in the country since December 1994, when the peso's exchange rate to the dollar was allowed to float.

Blanco said in an interview that trade agreements negotiated by Mexico with other countries allowed an increase in the country's exports, so the national production sector has no need to cut jobs.

The commerce secretary said Mexico increased its exports to the United States by 31 percent during the first quarter of 1995; adding that this represents a "shock absorber" to the crisis that has prevailed in the production sector since national demand dropped.

The official stated: Another element of NAFTA's "triumph" is that, so far this year, Mexico has exported 41 percent more than last year in the automobile sector.

He explained that the trade agreements "are doing very well" because they have allowed Mexico to export and create jobs; and, although this year's figures are not available for evaluation, "they are obviously allowing us to export and thus neutralize the negative effects of the crisis."

The commerce secretary was interviewed in this capital following the signing of an agreement between the health secretary and the Office of the Federal Attorney for Consumers, to guide consumers concerning health expenses.

Secretariat Against Lifting U.S. Steel Dumping Limits

PA0705023495 Mexico City EL FINANCIERO in Spanish 5 May 95 p 20

[Report by Leticia Rodriguez Lopez]

[FBIS Translated Text] The Secretariat of Commerce and Industrial Development [Secofi] will not eliminate compensatory quotas on laminated steel imported from the United States, but percentages established in the quotas could be increased or decreased.

Secretariat sources said that if the binational panel reviewing this resolution establishes that modifications should be made, dumping limits could be adjusted but never eliminated.

Meanwhile, Luis Manuel Perez de Acha, legal representative of Bethlehem Steel and USX Corporation, has insisted that the investigations conducted by Secofi in connection with charges of unfair trade practices filed by Altos Hornos de Mexico has errors.

During the second and last day of the public hearing conducted by the bilateral panel reviewing the imposition of compensatory quotas on U.S. laminated steel dumping, the attorney of the accused enterprises alleged that profit details are wrong and accounting figures applied to freight charges are also wrong.

The attorney is convinced that his arguments in defense of the U.S. enterprises are solid, and he trusts that he will win this case because the resolution is illegal.

Perez de Acha said during an interview that Mexico's commerce authorities "are still too green" to be able to resolve unfair practice problems through the new mechanism, the binational panel derived from Chapter 19 of NAFTA.

Noting that a lawsuit is not the same as giving orders, Perez de Acha said Secofi has little experience in these cases, and it will probably take about 20 or 30 years before it learns how to litigate on dumpings, whereas "I have fun because this is my job, and they get angry."

Perez de Acha explained: Secofi is defending a monopoly, because Altos Hornos de Mexico is the only producer of laminated steel in the country.

Secofi sources rejected this position and reiterated that the panel must reaffirm the resolution adopted by the secretariat because it has acted according to the law. They noted that they have a lot of experience with dumping estimates.

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EZLN Placed in Ideological Context

95CA0215A Mexico City VOZ Y VOTO in Spanish Apr 95 pp 12-14

[Commentary by Gustavo Hirales M.: "Under Discussion: The Myth of the Reformist Guerrilla"]

[FBIS Translated Text] In today's political discussion about the conflict in Chiapas and the nature of the political players in it, the neo-Zapatist parties tend to ignore the issue of the origin of the EZLN [Zapatist Army of National Liberation] and accept unquestioningly what the rebels themselves say about it. They cite another argument: the neo-Zapatists are what they seem to be. On the one hand, the problem is precisely that they have not revealed much about themselves, and not just because of their hoods. Marcos and the EZLN have sought to create a myth about the origin of their movement, and they have largely succeeded, a myth that in retrospect concocts an almost bucolic origin: in the early 1980's 10 or so young students doing their social-service work arrived in Chiapas and, seeing the awful living conditions of the Indians and how they were being pitilessly exploited, decided to spur a rebellion, which through many repressed and unsuccessful struggles would lead them inexorably to insurrection because "they were left with no other choice." This is the myth of the noble, romantic guerrilla, the "reformist guerrilla," dedicated lovingly to Carlos Fuentes and kindred souls.

The other problem, one of method, has to do with the impossibility of knowing a political or social phenomenon well without considering the historical manner and times in which it arose. The recent police discoveries about the remote origins of the current neo-Zapatist movement have helped to place things in perspective, but at the same time they raise new questions. We now know that the EZLN's remote forerunner is indeed the FALN (Armed Forces of National Liberation), followed by the FLN [National Liberation Front], a pro-Cuban guerrilla group (not a pro-Vietnamese one as Jorge Fernandez M. thinks) that was established in Monterrey, Nuevo Leon around 1969.

The founder of this group was a young Monterrey professional, Cesar Yanez, whom the political police and the Monterrey-based paper EL NORTE nicknamed "Hermano Pedro" [Brother Pedro]. The police uncovered the group at some point in 1970, arresting some of its rank-and-file members. What distinguished this group back then from the standpoint of the revolutionary left?

A) Strong isolationist, sectarian tendencies. Whereas most of the armed groups of that time sought to extend their (limited) spheres of influence by disseminating and discussing their theoretical and political output, the FALN was distinguished by its closed, enigmatic operating style. Practically no programmatic documents were seen from it.

B) Dyed-in-the-wool pro-Castro. At a time when Castro's influence was starting to wane in the American left and when criticism of the arrogant and overly dogmatic vision of the "Cuban path" was becoming more common, Brother Pedro and his followers were marked by an almost sacramental worship of Fidel Castro's leadership, a worship that even among those of us who were prepared to undertake the guerrilla experience seemed out of date, an obvious holdover from the past. At the time Cesar Yanez was president of the Jose Marti Cuban-Mexican Friendship Institute with headquarters in Monterrey. It was an open secret in the Monterrey left that Cesar and his comrades had received military training in Cuba. That also explained why they, unlike all the other groups during that period, did not resort to "revolutionary expropriations": they did not need them; they had Cuban dollars available.

C) The FALN and their strategy of the "foco" [focal point]. What was the Cuban-Debray strategy of the guerrilla foco? In the mid-1970's Regis Debray had popularized what according to him was the core of the Cuban experience: the strategy of the foco, as outlined in his pamphlet "Revolution in the Revolution." According to it, in order for the socialist revolution to triumph, the ideas of peaceful, partisan, parliamentary struggle must be abandoned. The prerequisite was to establish a "guerrilla column" that would bring together the most selfless, heroic revolutionary youth in an inaccessible, preferably mountainous rural area. Establishing the column entailed, in turn, gaining the active support of part of the peasant population and the passive support, or at least the tolerance, of most of the people in the zone in question. Once this objective had been achieved, the column would serve as a political party and send out revolutionary waves throughout the country. The heroism of its fighting and its propaganda capacity (note well) would help break down the regime's military apparatus, which would be a prelude to its political breakdown.

At a given moment, once several focos had been established in the country's highland regions, the guerrilla columns would launch a final offensive, which as in Cuba would be accompanied by a call for a general insurrection, which would unfailingly culminate in the triumph of the rebel forces and a repeat of Fidel's epic in its essential features.

Now then, by the late 1960's, after Che's death, most of the armed groups had discarded the foco

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strategy. Why? Because it was simplistic, because in practice it had led to a series of failures, the most resounding of which had been none other than Che's foolhardy uprising. Another reason, however, was that there was a growing awareness of the elitist, petty bourgeois nature of the foco vision, in the sense that the fate of a country's revolutionary movement was being decided by the heroism and maneuvering capacity of a handful of visionaries. The foco approach was repeating the mistakes of the aristocratic revolutionaries of the past century, who were mesmerized by the valiant, exemplary actions and heroism of an elite and passionately fond of terrorism, bloodshed, and sacrifice.

The FALN continued the foco strategy. In early 1974 Cesar Yanez and other members of the group were captured near Ocosingo in a shoot-out. Several members of the FALN died in Nepantla, Mexico State later that same year when the police discovered several safe houses. Napoleon Glockner and Nora Rivera, members of the group, were arrested in 1974 and later released. In 1976 they were "executed" in Mexico City in an operation that was initially attributed to Miguel Nazar Haro's White Brigade but that was apparently conducted by commands of the FALN itself, as they had been accused of informing on members of the underground group while they were under arrest.

If the FALN documents that were recently made public (bylaws, etc.) are genuine, and if they were actually drafted during the presumed (the early 1980's) time period, then obviously at some point between 1976 and 1980 there must have been a shift in this organization's theoretical approach: from the foco approach to the "strategy of the prolonged people's war," which is clearly Maoist and/or Vietnamese in origin. The big difference is that whereas in the foco vision development is rather rapid and does not require excessive efforts at social organization and political-military development, the Maoist approach attaches great importance to establishing roots among the peasant masses and slowly building up two major vehicles. These are a strategic national alliance encompassing all disgruntled people (regardless of their social class) and a true grassroots army that can face off, on an equal footing, with the regular army. China and Vietnam are the paradigms of this blueprint.

Abandoning the foco approach seems natural, given how limited it is. What is not clear is where the Maoist influence came from, precisely at a time when the appeal of Maoism was on the wane throughout the world, after the disaster of China's Cultural Revolution and the debacle of its leaders. My hypothesis takes into consideration two movements that have had an active presence in the underworld of the Mexican guerrillas for some time, an underworld that like Dracula cannot come out in the daytime at the risk of dying: PROCUP [Clandestine Revolutionary Workers Party-Union of the People] and Shining Path.

It is obvious, moreover, that there is a common thread in the "statutes" of today's FLN (Forces of National Liberation, without the "A" for "armed") and the positions of the EZLN. If we strip Marcos' language of all the childishly romantic nonsense about "the small men" and "we, the faceless," etc., we will see how all of the efforts of the EZLN (its real members, not the ones who provide excuses and cover) follow the aforementioned paradigm: to create a broad strategic and national alliance and to raise a grassroots army that can face off with the regular army as an equal. This is the only explanation of why Marcos promotes the organization of a "civil society" that is defined by its pro-EZLN stance and that already includes several stages: the Democratic National Convention, the National Liberation Movement, and whatever else can be accumulated.

There is also no other explanation for the concurrent efforts of the EZLN to continue building the grassroots army (while it takes full advantage of the legal, logistic, and publicity potential of the "truce" and negotiations), by arming the unarmed and by creating a nationwide support infrastructure that has to do only tangentially with the "convention delegates," for example. The infrastructure of the EZLN-FLN is, or seeks to be, "professional"; what the others are offering it is, in the best of cases, "small-scale."

Neither the EZLN nor its predecessors have ever used, as far as we know, the weapons of criticism, and this is not anecdotal. After a lengthy period of incubation in the underground, they moved straight into criticism by weapons, but this very criticism was merely symbolic, if we take the long and bloody Central American wars as reference points. Why? Out of a genuine devotion to peace, say the narrators of their saga. I say: because they were unable to get any farther along the road of "gentle violence." The famous tactical retreat in January 1994 was "obligatory" because they were unable to culminate their offensive by taking over the Mexican Army barracks on the outskirts of San Cristobal de las Casas. The Army put them to flight, and that is when they discovered their devotion to peace.

The EZLN may indeed be the result of the Chiapas Indians becoming aware of their miserable living conditions and of the need to rebel against them, but only in a secondary or tertiary sense. It is primarily the result of the millenarian convictions, fed over decades in the underground, held by a handful of underworld revolu-

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tionaries who, regardless of how much Mexican society was changing, forged ahead with their project of death because it did not depend on concrete conditions but rather on a perfect and self-contained ideology: revolutionary fundamentalism.

The revolutionary project is able to develop and blossom among the Indians not only because of age-old poverty, exploitation, and injustice but also because of the ignorance that the neo-Zapatists have deliberately encouraged. Remember the EZLN lieutenant who in an interview in early January 1994 contended, over the reporter's objections, that a socialist system was viable for Mexico. When the reporter cited the worldwide collapse of socialism as his final argument, the Indian militiaman replied that well, the world is one thing and Mexico is another, concluding with: moreover, we do not know whether it is true that socialism fell.

Now then, what significance does this have for peace prospects, for the transformation of the EZLN into an institutional political movement? A great deal. First, if the above is true, then it will not be at all easy to turn the EZLN into an institutional player, nor will peace be a readily feasible process. Not only because the government will have trouble accomplishing the institutional and political reforms that the Zapatists are proposing and not only because of the social and political resistance that is already being felt and that will no doubt intensify, but also because of the nature of the EZLN. Someone who has spent 25 years in the underground incubating a project of redemption will not forsake it when the first difficulties arise.

It will surely adapt to the changing political conditions that are pressuring it to soften some particularly harsh edges of its profile, but it will not, however, change fundamentally. Not unless it is forced to. How? To begin with, the intellectual and journalistic partisans of neo-Zapatism must stop treating it like a good but somewhat rude child that has committed "excesses" (very justified ones, though) and start accepting it for what it is: a political player that is fully aware of what it wants and of how to achieve it, a movement built for revolutionary violence that will not abandon that course unless it is shown its terrible inviability. It is also important for its ideological accomplices to cease being that. If they want to support Zapatism, they should do so, but they should support it as it really is and stop making excuses for it, excuses that at times are not even appreciated.

Moreover, it is very important for the political establishment to hold together so that it can show the rebels the political and social advantages of taking the institutional path. Otherwise, the outlook is disturbing: Marcos dead and the movement smashed, or Marcos as a Mexican "Tirofijo" who spends another 20 years in the mountains, not moving forward but at the same time not allowing society to have a reconciliation in democracy and peace.

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El Salvador

Column Outlines Dollarization Process, Expected Benefits

PA0605195495 San Salvador EL DIARIO DE HOY in Spanish 4 May 95 p 16

[From "The Economy On the Move" column: "Toward a Progressive Dollarization Process"]

[FBIS Translated Text]

A Gradual and Voluntary Dollarization Process

The Central Reserve Bank of El Salvador [BCR] has implemented new regulations allowing institutions to conduct all types of transactions in dollars under the same conditions as colones. These measures will give all individuals and businesses the opportunity to freely decide whether to invest their savings in colones or dollars. Likewise, they will have the opportunity to become indebted in colones or dollars, according to their preferences and to the availability of resources in each currency.

Measures Taken To Facilitate the Dollarization Process

1. Standardization of Cash Reserves for Deposits in Dollars and Colones

The legal cash reserve for all deposits in dollars has been reduced and standardized with the existing cash reserves for deposits in colones, thus allowing a higher interest rate for deposits in dollars and increasing the number of credits available in this currency.

2. Payment of Demand Deposits in Dollars

Banks are authorized to pay interest on those demand deposits in dollars that maintain a minimum balance in an effort to be competitive with international banks.

3. Elimination of the 10-Percent Cash Reserve on Foreign Liabilities

The BCR has eliminated the requirement for financial institutions to keep 10 percent of their foreign obligations deposited at the BCR, which will increase the availability of credits in dollars.

4. Certificates of Investment and Bonds in Dollars

Financial institutions have been authorized to issue Certificates of Investment and bonds to ensure they will be able to increase credits in this currency.

5. BMI [Multisectorial Investment Bank — Banco Multisectorial de Inversiones] Credits in Dollars

The BMI is acquiring an $84-million credit with the Inter-American Development Bank (IDB) to finance investment projects in dollars. Financial institutions are already conducting transactions under this new program.

6. Issuance of CEM's [Monetary Stabilization Certificates — Certificados de Estabilizacion Monetaria] in Dollars

The BCR will issue CEM's in colones and dollars to maintain a monetary stabilization.

7. Increase in Operations in Dollars

The difference that could exist between credits and obligations in foreign currency has been increased from 10 to 20 percent of the assets of the financial institutions, thus allowing a large amount of operations in dollars.

Expected Results

The measures will increase the amount of deposits and credits in dollars the financial system is channeling. The amount is currently 5 percent of the total.

The increase in the use of dollars in financial operations registered in the last few months is reflected in the demand for credits in dollars for agricultural, industrial, trade, and service activities in financial institutions, especially when projects linked to exports are concerned.

The use of the dollar has been authorized for product purchases, rent payments, life insurance, and other operations in trade and service activities.

Benefits of the Progressive Dollarization Process

— Depositors will be able to make deposits in dollars at competitive interest rates.

— Businesses will be able to acquire more credits in dollars, thus improving their competitiveness.

— The globalization process is made easier as access to services and products in dollars is guaranteed.

— An increase in savings and investments will be promoted, which will be reflected in a larger growth rate and more jobs.

Sectors Respond to 'Voluntary Dollarization'

PA0605214295 San Salvador EL DIARIO DE HOY in Spanish 4 May 95 pp 12, 15

[Report by Marvin Portillo]

[FBIS Translated Text] In an unexpected turn of the government's dollarization plan, members of the Economic Cabinet have proposed that the market decide whether it prefers to use the colon or the dollar as its exchange currency, thus establishing the conditions for a voluntary dollarization.

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In a communique released yesterday, the Central Reserve Bank of El Salvador [BCR] proposed that individuals "freely decide whether to invest their money in colones or dollars." To this end, the BCR has established rules to facilitate the dollar's introduction into the Salvadoran economy through the financial system.

The government's new position on dollarization is based on the acknowledgement that the international situation caused by the Mexican and Argentine crises and persistent doubts about the advantages of substituting the dollar for the colon would not, for the time being, guarantee a successful dollarization in El Salvador.

The measures adopted by the BCR to facilitate a "voluntary and gradual dollarization process" are aimed at seeking equal treatment at banks for accounts and loans in both colones and dollars.

Among the measures adopted by the BCR are the recent unification of cash reserves on deposits, which as of 29 April are 22 percent for dollar accounts as well as for deposits in colones.

Other measures include allowing banks to pay interest on demand deposits and checking accounts in dollars — in order to encourage the opening of dollar accounts — and the elimination of the 10 percent legal reserve on loans made by local banks with foreign financial institutions. This is expected to make it easy for banks to obtain resources from foreign banks in order to increase the supply of dollar loans.

Likewise, the BCR has authorized banks and financial institutions to issue Investment Certificates in dollars. At the same time, the BCR announced that it will again issue Monetary Stabilization Certificates in dollars to be negotiated on the stock exchange.

By slightly adapting secondary laws, the BCR is trying to open the Salvadoran economy's doors to U.S. dollars.

The BCR maintains that "these measures will give all individuals and businesses the opportunity to freely decide whether to invest their savings in colones or dollars. Likewise, they will have the opportunity to become indebted in colones or dollars, according to their preferences and to the availability of resources in each currency."

MIPLAN [Ministry of Planning]: There Will Be No Dollarization by Decree

According to Planning Minister Ramon Gonzalez Giner, a member of the Economic Cabinet, voluntary and gradual dollarization will replace the dollarization plan by free convertibility, and the government expects to enforce it with a law that would fix the exchange rate at 8.75 colones per dollar.

The planning minister said that "this is a gradual process in which conditions are gradually being created to encourage the Salvadorans' free decision on the dollar."

He explained that the original dollarization plan had two stages: The first was to fix the exchange rate with free convertibility as a temporary mechanism toward a second stage of complete dollarization.

He added that "in view of the Mexican crisis and its effect throughout the continent, we examined the situation and concluded that it would be more advantageous to move more quickly toward dollarization."

Gonzalez Giner explained that the dollarization plan has not been suspended and that the same goal is sought, not by decree but by modifying market conditions.

The planning minister said that "the plan is a reaction to market conditions in which the consumer will have greater security and more confidence to engage in long-term operations."

According to ASI President Leonel Mejia, the measure is "positive" because many countries allow deposits in local and foreign currency.

"Another good step taken by the Central Bank was to eliminate the reserve funds on loans taken out in dollars and to level reserve funds for dollar deposits to those of colon deposits. This will make loans in dollars more accessible," the industrial leader stated.

Mejia predicted that the ability to sign contracts in dollars would help reduce interest rates."

The ASI president said: "The private sector has always believed that a natural dollarization is better than legislation, because dollarization cannot be imposed by law when there is a lack of trust or when conditions are not right."

Chamber: It Is the Right Move

Ricardo Siman, president of the Salvadoran Chamber of Commerce and Industry, called it the "right" move to reevaluate the international situation due to recent distortions the dollar has faced against the yen and several European currencies.

The business leader warned that "if we go ahead with the dollarization project and the dollar should face more serious problems, we could suffer much more serious consequences."

He said that the Chamber welcomes the BCR president's statements regarding gradual progress on the dollarization process. This will allow time to analyze and closely follow the dollar's woes.

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The double currency period would act as a "waiting period." It would "allow more time to better implement dollarization," he added.

He said that the measure will provide better conditions for those companies that are able to take on dollar-denominated loans.

He added that the "waiting period" that voluntary dollarization entails will allow us to observe the dollar's behavior, a variable that was not in the equation until several months ago.

The trade leader noted that "it would be very harmful if this were not carried out as described and the measure were stubbornly imposed, no matter what the situation abroad. It is a good thing they changed their minds."

Free Contracting For Dr. Eduardo Tenorio, the double currency system has two limitations: One is constitutional and the other is legal.

According to Article III of the Constitution, "the right to issue forms of currency belongs exclusively to the state, which may exercise such right directly or through the public issuing agency. The monetary, banking, and credit systems will be regulated by law." There are other restrictions in Article 1440 of the Civil Code.

Tenorio argues that the Civil Code article would have to be repealed to make way for the double currency system, although the constitutional provision would remain.

Nevertheless, he said there are no restrictions on contracts in dollar denominations. There are even cases where people rent houses in dollars.

"There is no major obstacle to writing contracts in foreign currency," Tenorio said.

PDC [Christian Democratic Party]: Another Change

Deputy Orlando Arevalo of the PDC expressed his concern about the variety of options now being displayed "after it had already been said it would only be as previously agreed."

According to the deputy, a law was to be drafted to promote free currency exchange to ensure a gradual dollarization of the whole economy.

He pointed out that "as the Assembly and as deputies of the Economy Commission, we are open to discuss any proposal the Executive Branch may have."

Arevalo said these changes give the impression that the financial and treasury officials have a "wide range" of options but cannot pinpoint the right way to go; the one with the least risk or the one that offers the highest benefits for the country's economy.

The Christian Democrat deputy warned that "technical studies should be done before announcing any one specific measure to give the process strength. Otherwise, we could create an atmosphere of distrust and uncertainty."

Guatemala

Prosecutor General Dismisses Prosecutor in Bamaca Case

PA0705133495 Mexico City NOTIMEX in Spanish 0513 GMT 7 May 95

[FBIS Translated Text] Guatemala City, 6 May (NOTIMEX) — Prosecutor General Ramses Cuestas announced here today that Special Prosecutor Leonel Machuca, who handled the case of the disappearance of rebel leader Efrain Bamaca, has been dismissed.

The official explained that the measure was prompted by the fact that Machuca's actions in the Bamaca case legal proceedings "are not very clear."

According to Cuestas, the special prosecutor made some omissions that endangered the actions of the Prosecutor General's Office in the case.

The prosecutor general refused to specify the irregularities caused by Machuca but said he has ordered an internal investigation into the special prosecutor's actions.

Jorge Lemus, an ex-convict who had been jailed for auto theft, had previously told the local press that Machuca did not take any steps to resolve the Bamaca case.

Guatemalan Army Colonel Julio Alpirez is reportedly implicated in the Bamaca case. Guerrilla Santiago Cabrera charged Alpirez with masterminding Bamaca's death at the hands of soldiers, who apparently tortured the rebel leader before he died.

This week a court dismissed the charges against Alpirez and set him free due to a lack of evidence and because 30 Army soldiers made statements in his favor.

Machuca has rejected the ruling. Consequently, he will travel tomorrow to the United States to meet with Cabrera to obtain more details of his testimony against Alpirez. Cabrera's testimony is similar to that of U.S. Democratic Representative Robert Torricelli, who said a short while ago that Alpirez worked for the CIA and ordered the assassination of Bamaca in 1992, as well as that of U.S. hotel businessman Michael Devine in 1990.

Cuestas remarked that Special Prosecutor Leopoldo Mejia was assigned to handle the Devine case, while no prosecutor has been named to investigate the Bamaca case following Machuca's dismissal.

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Human Rights Head Comments

PA0705171995 Mexico City NOTIMEX in Spanish 1544 GMT 7 May 95

[FBIS Translated Text] Guatemala City, 7 May (NOTIMEX) — Vicente Arranz, president of the Presidential Commission for the Coordination of Human Rights Affairs (COPREDEH), said today he hopes the removal of Special Prosecutor Leonel Machuca will expedite the resolution of rebel Efrain Bamaca's disappearance.

Arranz, upon learning of the decision to remove Machuca, said: "I hope this decision will give more energy, force, and speed to the process." He added that he did not know what problems led to the firing of Machuca. The two officials had scheduled a trip to the United States this Sunday to hear statements by guerrilla Santiago Cabrera, who has accused Colonel Julio Alpirez of ordering Bamaca murdered in 1992.

In addition, they had planned to meet with several U.S. political leaders, particularly Representative Robert Torricelli, the U.S. politician who recently disclosed that Alpirez ordered the death of Bamaca following orders from the CIA.

Bamaca disappeared in March 1992 during an encounter with Army troops. According to Cabrera, the Army arrested Bamaca, tortured him for a long time, then reportedly killed him.

Machuca was in charge of the investigation. Prosecutor General Ramses Cuestas said Machuca failed to do his job but did not list any of his mistakes.

Press reports say Machuca was negligent in handling the case. This led to two courts ruling in favor of Col. Alpirez, who was being tried for the Bamaca murder case, first releasing him on probation and then acquitting him.

The courts stated that the prosecutor was unable to produce strong enough evidence to prove Alpirez' guilt. The defense presented as evidence the testimony of 30 soldiers, who denied the colonel's participation in the rebel leader's death.

Cuestas announced Machuca's removal just last night, and as of yet there has been no indication as to who will replace him.

Bamaca, Devine Cases Complicated by Pressure on Judges

PA0805231795 Mexico City NOTIMEX in Spanish 1905 GMT 8 May 95

[FBIS Translated Text] Guatemala City, 8 May (NOTIMEX) — The clarification of guerrilla leader Efrain Bamaca's and U.S. citizen Michael Devine's murders became complicated today after Guatemalan Prosecutor General Ramses Cuestas revealed pressure is being exerted on the judges.

Cuestas criticized Army officers, whom he did not identify, because "they refuse to understand that the law must be equal for all, that things have changed in the country, and that they must submit to the law."

Cuestas' statements were made after Leonel Machuca, special prosecutor in charge of Bamaca's case, was dismissed over the weekend.

The guerrilla leader, also known as "Commander Everardo," disappeared in 1992 and Guatemalan Colonel Julio Roberto Alpirez is implicated in this incident.

Alpirez' alleged involvement in espionage for the CIA, which reportedly ordered the assassination of the rebel and the U.S. citizen, is also being investigated in connection with this case.

Alpirez was released last week although the Prosecutor General's Office had not presented all the evidence concerning the military officer's involvement in the guerrilla leader's disappearance.

The court made the ruling "because the military judges who comprise the court were under pressure," the prosecutor general insisted, even though he did not give further details.

Cuestas did not explain why he dismissed Machuca either, but he implied that the official failed to do everything within his means to get the evidence against Alpirez and other military officers involved in the case.

Alpirez, who is also implicated in Michael Devine's assassination in 1992, benefited from the testimony of 30 soldiers who denied the officer had anything to do with the cases.

Moreover, Machuca said that he was surprised by his dismissal; adding he does not "really know what happened, why I was dismissed."

Nevertheless, the former special prosecutor said he was willing to be investigated by the Attorney General's Office regarding his role in the case.

Machuca said he was scheduled to travel to the United States on Sunday to meet with guerrilla member Santiago Cabrera, who recently said Bamaca was captured by the Army in March 1992.

Machuca said he also intended to meet with Democratic Senator Robert Torricelli, who said Colonel Alpirez ordered the execution of Bamaca in 1992 and Devine in 1990 at the specific request of the CIA.

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Torricelli's accusations compelled U.S. President William Clinton to order an investigation within the CIA.

De Leon Commits to Gradual Tariff Reduction

PA0605195695 Guatemala City LA REPUBLICA in Spanish 4 May 95 p 11

[Report by Ramon Hernandez S.]

[FBIS Translated Text] President Ramiro De Leon Carpio this Wednesday [3 May] committed himself before the Central American economy ministers who form the region's Tariff and Customs Council to continue with the "gradual tariff reduction" after readopting his foreign trade policy by annulling the 10-percent tariff unification.

Explaining the reasons for the decision to unify tariffs, which was officially revoked yesterday after the government agreement that created it was published in the OFFICIAL GAZETTE, De Leon Carpio said his government "is now readopting its foreign trade policy and therefore the tariff policy agreed upon by the Central American Tariff and Customs Council."

"We are working hard to achieve financial stability through a reorganization of public finances that will allow rapid progress in the gradual reduction of tariffs, as has been established with the Central American countries," De Leon Carpio noted.

He added that at the same time, in an attempt to expedite measures to strengthen the process of Central American economic integration and more efficient incorporation into the international economy, "we are negotiating with Congress for ratification of the final document, which includes the results of the GATT multilateral trade negotiations that created the WTO."

De Leon Carpio stated that this "will enable us to set up the tariffs consolidated within the framework of the GATT to protect agricultural and livestock products facing problems of market distortions and unfair trade practices."

De Leon, Finance Minister Discuss Possible Special Tax

PA0705133695 Guatemala City PRENSA LIBRE in Spanish 5 May 95 p 85

[FBIS Translated Excerpt] President Ramiro De Leon Carpio granted an interview yesterday at 1100 in his office during which he denied reports that a new special fiscal tax is being drafted. He noted that Finance Minister Ana de Molina has spoken about such a tax only as a possibility for resolving the fiscal gap between state revenues and expenditures.

The president said: *The so-called fiscal war is over. We have reached an agreement with the private sector, and we are not going to air any problem of this nature in public. We have only spoken about a gap between revenues and expenditures this year.*

He said that the special tax is an option, like others, that must be studied before going into effect. Congress will have the task of resolving this problem.

He stated: *Congress will decide what should be done to prevent a fiscal deficit. It is not true that a tax bill that includes dates and everything has been introduced, and I regret the way the media has reported on this.*

Finance Minister Molina said yesterday in Congress that *the idea of approving a special tax to close the fiscal gap is only a proposal, not a bill, although the possibility has not been discarded.*

The information on this has gotten out of proportion. There is concern about closing the financial gap in this year's budget, and we believe there are a number of ways it could be handled. A special tax is not necessarily the only option, she said.

She said administrative work to collect taxes must be improved to make taxpaying easier and to rationalize public expenditures within the framework of austerity. Later we could evaluate the possibility of a special tax, but that would be the last option, she said.

She stated: *This new tax has not been established. We are simply considering options. We believe it is important to promote a taxpaying spirit through a campaign by the private sector. This would improve state revenues.*

The official said there is no specific proposal because talks with the president of the Congress Finance Committee will resume next week to check figures, coordinate possible actions, and evaluate the potential impact of the fiscal reform. [passage omitted]

Honduras

President Appoints Economy Minister as Foreign Minister

PA0605042795 Mexico City NOTIMEX in Spanish 0153 GMT 6 May 95

[FBIS Translated Text] Tegucigalpa, 5 May (NOTIMEX) — Honduran Economy Minister Delmer Urbizo Panting, who today was appointed foreign minister, has said it will be President Carlos Roberto Reina who defines the country's foreign policy.

"The president is the leader of our foreign policy and I am the administrator," Urbizo Panting told reporters

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after learning that he will replace current Foreign Minister Ernesto Paz Aguilar, who resigned "for personal reasons."

In the Economy Ministry, "we have successfully culminated bilateral (investment) agreements with various countries, and from the Foreign Ministry we will continue cooperating with the ministry," said Urbizo Panting, a businessman with a law degree.

He pointed out that from his new post, he will avail himself of the president's international prestige to bolster relations with the countries with which Honduras maintains diplomatic relations in order "to achieve a policy that corresponds with the country's interests." The president did not disclose the date when the new Honduran foreign minister will take over.

Although Paz Aguilar's resignation was justified by "personal reasons," political sources believe that he is leaving because he became "very" close to Cuba and China, as well as because one of his sisters was imprisoned in February for allegedly forging passports.

Paz Aguilar returned to Honduras on Friday after attending the Non-Aligned Movement meeting in Indonesia. Upon his return, he declined to give any statements to the press.

New Foreign Minister To Follow Nonsectarian Policy

PA0905031995 San Pedro Sula TIEMPO in Spanish 8 May 95 p 10

[Article by Osmin Garcia Montano entitled: "Urbizo Panting Will Not Vary Policy Toward Cuba and China"]

[FBIS Translated Text] Tegucigalpa — Former Economy Minister Delmer Urbizo Panting has said that he is ready to occupy the post of foreign minister of the republic this week to implement a nonsectarian foreign policy.

Urbizo Panting, who will replace Ernesto Paz Aguilar, pointed out that he is prepared for all kinds of criticism against his trips and efforts to get closer to countries such as Cuba and continental China.

The official said that he is aware of the responsibility that he will be assuming and added that he will perform satisfactorily, because he showed his capacity in previous public and private posts he has held and because he enjoys the support of President Carlos Roberto Reina and the Liberal Party.

As for possible dismissals, Urbizo Panting refrained from commenting but added that he will make an objective and nonsectarian analysis of personnel in keeping with the institution's interests.

Government Announces Plan To Increase Grain Production

PA0505155695 Tegucigalpa LA TRIBUNA in Spanish 3 May 95 p 3

[FBIS Translated Text] Government authorities expect to produce an additional 2 million quintals in basic grains with the implementation of a short-term and intermediate plan to raise production.

Natural Resources Minister Ramon Villeda Bermudez announced last night via a radio and television network the implementation of this plan, which strives to increase production for the 1995-98 period.

He indicated that the program will provide incentives for the production of grains in Cortes, Yoro, Atlantida, Santa Barbara, Olancho, Colon, El Paraiso, and Comayagua Departments, where 160,000 manzanas are expected to yield an additional 2.5 million quintals.

Likewise, the minister indicated that corn production is expected to increase from 12.5 million quintals to 15 million quintals.

He said guarantees will be given for land ownership, investments, and credit access, and a guarantee fund of 20 million lempiras will be established. He added that 200 million lempiras will be used to encourage agricultural loans.

Villeda Bermudez explained that the National Agricultural Development Bank (Banadesa) will allocate 60 million lempiras for small and midsize producers.

Regarding access to raw materials, he said public bids will be announced to guarantee domestic and international market prices. Bids for 350,000 quintals of 2KR fertilizer have been granted.

He asserted that the goal is to encourage national producers to participate more dynamically in agricultural activities.

Nicaragua

Supreme Court Rules Reforms Not in Effect

PA0805192395 Managua Radio Sandino in Spanish 1200 GMT 8 May 95

[From the "What's Happening" Newscast]

[FBIS Translated Text] The Supreme Court has decided that the constitutional reforms are not in effect because they were not promulgated by the president of the Republic. The Executive And Legislative Branches will be notified of this today. The ruling was issued on Friday, when the Court convened in full with the participation of Dr. Rodolfo Sandino Arguello.

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The Supreme Court resolution does not question the National Assembly's right to amend the Constitution. It limits itself to noting that the president of the Republic failed to comply with the promulgation prerequisite.

Panama

President Defends Labor Reforms at Party Meeting

PA0905030595 Panama City LA PRENSA in Spanish 8 May 95 p 1

[Report by Vilma E. Figueroa B. and Hermes Sucre Serrano]

[FBIS Translated Text] President Ernesto Perez Balladares has warned that although everyone has a right to offer an opinion in a democracy, neither the government nor its party, the PRD [Democratic Revolutionary Party], will allow workers to be deceived. He also reiterated that the labor reforms do not hinder the benefits attained by the workers.

"There are union leaders who have not taken the trouble to read the executive's proposal on the labor law reforms and thus are demonstrating a serious lack of responsibility," the president said to PRD Directorate members meeting at a hotel in Panama City yesterday.

Leaders of several unions in the country agreed on Saturday to march to the Legislative Assembly, beginning at 1700 next Thursday, 11 May, and to hold a 24-hour warning strike, prior to a general strike, to protest the labor reforms.

Perez Balladares asked those who are against the reforms to participate in the dialogue and not to irresponsibly tell lies to the workers, taking advantage of the fact that some of them are illiterate.

He questioned the attitude taken by several of those who are against the government reform proposal because, according to him, what they want is to have Panamanians live in constant confrontation and conflict. Their goal is to destroy the national economy and private enterprise and to build a utopic socialist state, which has failed in other parts of the world, over the ruins of the economy they have wrecked.

"We have had to bravely confront the reforms initiated by the previous government, and I am sure we will win this battle because people can see we are working aboveboard," the president emphasized.

He asserted that the labor reforms will set the basis for the country to have a thriving economy. This, he said, is what is needed to again win the 1999 elections in a clean and pure contest and to maintain "the people in power."

During his speech, the president told his party colleagues that during the nine months of his government, they had managed to set the basis for the economic system that will rule the country. He however, did admit that the main problem faced by the immense majority of the Panamanians is the inability to find jobs.

Perez Balladares said that it was only fair to recognize the work done by the PRD legislators and legislative president Balbina Herrera, who, according to him, have not dallied with cheap politicking but have faced the challenge of discussing and approving the necessary bills.

The president asserted that INTEL [National Institute of Telecommunications] and IRHE [Institute of Hydraulic Resources and Electrification] had been changed to get them to be more efficient in rendering services to the customers.

"We are now at the association phase in the case of INTEL and, in the case of IRHE, establishing the necessary regulatory organizations to ensure that the interests of the poor people are protected," he emphasized.

Once the IRHE and INTEL issues were approved, they have gone on to review the incentives universalization law that intends to provide the protection that businessmen have requested so many times and will allow equity in conditions in this sector, the president stated.

"If we could generate the necessary jobs to face the just employment demands, we would not have taken the path that comprises the mentioned reforms," he asserted.

Perez Balladares indicated that the government, just as it had been able to do with IRHE and INTEL, would further the universalization law and the labor law reforms, without impinging on the workers achievements.

On his part, Labor Minister Mitchell Doens recalled that the people who are against the reforms can voice their opinions when the bill is initially discussed at the Legislative Assembly.

"We insist that this phase is not one of confrontation but of dialogue and concerted effort," he asserted.

Meanwhile, the Chiriqui Land Company (Chirilanco) and independent banana producers are readying to confront the announced workers strike and to reduce its negative effects, said a source linked to the fruit company's board of directors.

According to the source, they are still trying to convince the workers of the strike's repercussions and losses on the banana farms, especially now that Panama is confronting difficulties in marketing the fruit.

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Recently, National Banana Council President Euclides Diaz warned that this strike would have serious consequences on independent producers, especially because of the problems they are confronting with the price of the fruit in the international market.

Diaz recalled that things have gotten very difficult for banana companies in the past years and that it has gotten to the point that Chirilanco lost more than $60 millions in 1994.

Union of Chiriqui Land Company Workers leaders have reiterated their decision to go on strike if the government insists in reforming the Labor Law.

Foreign Minister on U.S. Signing Legal Assistance Treaty

PA0805020995 Panama City EL SIGLO in Spanish 5 May 95 p 10

[Report by Rogelio Cordova]

[FBIS Translated Text] Foreign Relations Minister Gabriel Lewis Galindo, alluding to the excellent relations between the government and the United States in the struggle against drug trafficking, stated yesterday that in two weeks time, the U.S. Senate will approve the Mutual Legal Assistance Treaty (TALM).

Lewis Galindo stressed that much progress had been achieved with respect to relations with the United States since Panama had been removed from the list of countries perceived as not cooperating in the international struggle against drug trafficking. According to the foreign minister, "a new list had recently been prepared, which included those countries that have not yet approved intellectual property rights legislation, and Panama was also excluded." In addition, the U.S. Senate Foreign Relations Committee recently approved the TALM, which Panama has been calling for since 1991.

The foreign minister emphasized that the position adopted by Panama with respect to the struggle against drug trafficking is bound to attract investors.

When asked about the local authorities who will be responsible for coordinating all issues related to the TALM, he pointed out that "everything will be implemented through official channels such as Government and Justice Ministry, on the one hand, and the Office of the Attorney General, on the other."

As relates to the United States, Lewis Galindo indicated, the issue will be coordinated in accordance with that country's own laws and will involve those agencies that generally fall under the Justice and State Departments.

Lewis Galindo insisted that the TALM will not represent any additional costs to Panama and will benefit the country since it will reinforce the struggle against drug trafficking taking place in other countries plagued by this problem.

Despite the experience of such officials as Attorney General Jose Antonio Sossa and Technical Judicial Police Director Gabriel Castro, the foreign minister stipulated that Panama will have to undertake an extra effort.

The TALM, which was recently approved by the U.S. Senate Foreign Relations Committee, headed by Republican Senator Jesse Helms, allows Panama and the United States to exchange information related to drug trafficking and money laundering activities in the Panamanian banking system.

Goals of Foreign Debt Renegotiation Team Outlined

PA0505163995 Panama City LA PRENSA in Spanish 4 May 95 p 3A

[Report by Jose Quintero De Leon]

[FBIS Translated Text] Planning Minister Guillermo Chapman said Panama's foreign debt negotiating team will not lose the ground gained in terms of preferential treatment but in fact will greatly improve upon what has been achieved.

Chapman revealed that Panama's negotiating mission intends to get a discount on accumulated interests. As far as he knows, this did not occur during the previous government.

The foreign debt (approximately $7.228 billion at the end of 1993) is being negotiated by a team that has again traveled to the United States. The team, led by Planning Ministry economist Ricaurte Vasquez, will meet with the Creditor Banks Committee.

Chapman explained that the market determines interest rates, and no one can contradict what the market indicates.

"Interest is higher than it was a year ago, and anyone who says they (former Planning Minister Cardenas' team) got a better deal is deceiving the community," Chapman said.

As for the negotiations, he believes the two groups are getting increasingly closer to the Panamanian position, which needs the renegotiation in order for certain characteristics to be acceptable.

According to the minister, the only provision for the debt's renegotiation is that it must achieve a significant relief in the amount, given the burden it represents to Panama. He also said: It must be compatible with our projections for the evolution of public finances.

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The minister emphasized: This means the settlement achieved must allow the debt service to become lower, proportionately speaking, than the previous year.

He preferred not to speculate on the outcome of the negotiations because the talks are very complex and still have a long way to go.

To conclude, he ruled out the possibility of a debt-for-nature swap, saying that the government is not considering this possibility since it is a poor deal for the country, which ends up paying more for the debt.

Accord Reached With Private Banks To Reduce Foreign Debt

PA0805023995 Panama City Circuito RPC Television in Spanish 2300 GMT 5 May 95

[From the "RPC Television News" newscast]

[FBIS Translated Text] The Panamanian Government today announced an agreement with international private banks whereby the country's foreign debt has been reduced. Planning Minister Guillermo Chapman has said that the agreement signed with the private banks is the best international agreement signed so far because it involves approximately $2 billion owed by Panama.

[Begin Chapman recording] This makes it possible to bring the cost of foreign financing down, not only for the public sector, but in particular for the country's economic sector. [end recording]

He said that Panama succeeded in having 45 percent of the principal, approximately $3.5 billion, and 33 percent of the interest, amounting to $1.5 billion, written off.

[Begin Chapman recording] There is a difference of more than $100 million in the initial payment necessary to close the transaction. The operation put the country in a much more favorable position than during the previous administration. [end recording]

The minister said this agreement will allow Panama to finance social projects.

[Begin Chapman recording] The government has completed this transaction aware of the huge social obligation that weighs down on our country and because the government believes in the need to meet this social obligation, which requires having paid in full the financial debt to have access to resources, stimulate foreign investment, and create jobs. [end recording]

Panama's foreign debt amounts to more than $7.4 billion. It is estimated that each Panamanian owes approximately $2,500. With this agreement, however, the debt has been reduced to $2,000 per capita.

Editorial Demands 'U.S. Commitment' for Extended Presence

PA0705205695 Panama City LA ESTRELLA DE PANAMA in Spanish 7 May 95 p A4

[Editorial: "The Renegotiation of the Military Bases"]

[FBIS Translated Text] The Torrijos-Carter Treaties signed on 7 September 1977 went into effect on 1 October 1979, and since that day, the Republic of Panama has received valuable properties that have gradually reverted to the country.

Regrettably, we must acknowledge that the reverted properties have not been used properly. The scant surveillance assigned to many areas allowed squatters to establishment themselves, as is the case in Nuevo Arraijan, or predators to dismantle and destroy costly buildings in a criminal manner.

According to the treaty, on 31 December 1999, Panama will assume full control over the area formerly called the Canal Zone, and there will not be a single U.S. Army soldier in the country. The U.S. Government, through its authorized spokesmen, has reiterated on several occasions that it will comply with the agreement; therefore, when the aforesaid date comes along, they will leave.

As 31 December 1999 approaches, a series of alternatives on the use of military bases have been proposed. Some have suggested that a large share of the reverted facilities be turned into industrial parks. Others proposed the use of part of the area to create a City of Knowledge or to consolidate all government offices in one area. There are also those who sponsor the idea of renegotiating the bases.

There are currently 10 U.S. bases in Panama that will be gradually dismantled as we approach the deadline. The approximately 12,000 Panamanians working there are legitimately concerned about their fate in view of the fact that they will be laid off. Those directly affected and a large number of citizens have proposed a renegotiation of the bases, or at least some of them.

Despite the dilemma over renegotiation, neither the Panamanian nor the U.S. Government has taken the initiative to request the revision of clauses on the bases. Each passing day is filled with uncertainty for those who watch the termination of their jobs approaching. This point must be tackled in an all-out, definitive manner so this important group of Panamanians can organize and plan their future.

In light of the proposals to renegotiate the bases, government leaders have proposed a plebiscite so the

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people can decide at the polls whether they should stay or leave.

If the U.S. military presence is submitted to a plebiscite and the people vote in the affirmative, Panama will have to renegotiate to keep from letting its people and future generations down. Panama should state that as part of the U.S. obligation, more than an annual fee, it must grant preferential treatment to Panamanian products. A government leader could commit an annual fee and use it as a financial guarantee, thereby depriving future generations of this benefit. It should obtain a U.S. commitment to provide part of the electricity the country requires, repair and maintain roads, intensify civic action programs, provide scholarships for students, support garbage collection and a cleanup of the bay, and so on. This means the payment would be in the form of services and preferential treatment for Panamanian products on the U.S. market. Panama belongs to us all.

Ambassador: Extended U.S. Presence Not Canal Issue

PA0705205795 Panama City LA PRENSA in Spanish 7 May 95 p 3 A

[Report by Manuel Alvarez Cedeno]

[FBIS Translated Text] Diplomatic sources have stated that no military organization will be in charge of protecting the Panama Canal after it reverts to Panamanian jurisdiction because the Armed Forces were constitutionally abolished.

Panama will assume complete control over the interoceanic waterway on 31 December 1999, in accordance with the Torrijos-Carter Treaties signed in 1977.

Panamanian Ambassador to Washington Ricardo Arias said the United States and Panama are "well aware that protecting the Canal does not require a military organization."

Furthermore, he said, "our Constitution prohibits military organizations. Therefore, no military organization will be in charge of defending the Canal after the year 2000."

The Panama Canal is currently a U.S. federal agency, jointly administered by the United States and Panama. In the year 2000, the Canal will revert entirely to Panama.

The ambassador explained that the possibility of a U.S. military presence in Panama is not based on the need for a force to protect the Canal. The issue revolves around the struggle against drug trafficking in the region.

U.S. sectors have expressed a need to maintain a military presence in Panama after the year 2000. The contingent would provide support in implementing U.S. drug policies in Latin America.

Arias explained that Canal protection requires a form of industrial security. Several local sectors have said that this would be enough to protect the interoceanic water way.

The army of military dictator Manuel Antonio Noriega was dismembered by the U.S. invasion of Panama in 1989. It was later abolished constitutionally by the Legislative Assembly.

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Argentina

Menem Promises 4-5 Percent Unemployment

95SM0307A Buenos Aires LA NACION in Spanish 20 Apr 95 p 3, Sect. 2

[Article by Paz Tejerina; first paragraph is LA NACION introduction]

[FBIS Translated Text] Estimates: the president has said that under his administration, unemployment will fall to 4 or 5 percent.

President Carlos Menem said that unemployment will decline from 12 percent to 4 or 5 percent, and that his administration is the only one capable of reducing it to that level, while predicting economic growth between 5 and 6 percent for this year.

"In our next term we will reach normal unemployment levels—between 4 and 5 percent. The five-year plan which we will announce on 1 May, plus increased flexibility in labor regulations, will help to achieve this," he emphasized.

Menem made these comments at the monthly luncheon of the Professional Council of Economic Sciences, chaired by Augusto Fiorillo, who asked him to extend the DGI [General Directorate of Taxation] moratorium so that a financial plan can be prepared that will work.

Menem answered the request evasively, though he did promise to convey that concern to the Secretary of Public Revenues, Carlos Tacchi.

"I too am interested in getting a tax break for us, but I think Tacchi will say that if you give people the moratorium, later they will ask for another one," he answered.

Speaking to more than 100 businessmen, the president sketched an encouraging panorama, definitely operating in a campaign mode.

After listing the merits of his presidency, using the phrase of Juan Bautista Alberdi, who said that in order to govern, it is first necessary to pacify and then to begin the transformation, he maintained that "Argentina is not an underdeveloped, but an underadministered country. But we are continuing to do better, and now we can assure you that we are among the top 25 countries in the world." Then he predicted a growth rate between 5 and 6 percent, twice the rate forecast by Cavallo.

Menem challenged his minister's figures, using the argument of "a strong, 18 percent increase in domestic savings and 4 percent in foreign savings," plus investments of $78 billion, and a new five-year plan.

The Only Ones

Unemployment also occupied center stage. Menem acknowledged that the present levels of 12 percent are disturbing.

"We are the only ones in a position to reduce unemployment to 4 percent, as we did with inflation, and in the next term we are going to prove that," he claimed.

Menem then spoke of the number of under-the-table workers and used that issue to emphasize that "Tacchi is a great official, honest as the day is long."

The government, of course, will use as weapons to fight unemployment the implementation of "300 actions and new education plans to train people"; 3 percent of the jobs will be in agriculture, 17 percent in industry, and 80 percent in the service sector.

"Nowhere in the world is there full employment, but there are normal indices like what we will have: 4 percent in four years," he reiterated.

At the end of his speech, the guest of honor answered questions. One referred to the lack of separation of powers, to which he responded: "There is total independence; the other branches of government are not in any way subordinated to me."

Then he was asked about his insistence on using decrees to govern. "They were used because circumstances were pressing. Let us not forget that the former government adopted the change in currency by decree, even though that is unconstitutional."

The president's attacks resembled the start of a campaign.

His strategy has, of course, now been revealed.

Government To Create Unemployment Commission

95SM0307B Buenos Aires LA NACION in Spanish 18 Apr 95 p 6

[First paragraph is LA NACION introduction]

[FBIS Translated Text] Commission: to be composed of the Ministries of the Economy and Labor, the CGT [General Confederation of Labor], and the business community, according to a decision made at yesterday's meeting in the Casa Rosada.

The government is going to create an industrial employment oversight commission composed of representatives of the Ministries of the Economy and Labor, the CGT, and the business community, to gather information on what is happening in that area and to coordinate the state's resources and support measures to help protect industrial jobs.

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This agreement was reached yesterday at the executive offices by President Carlos Menem; Minister of Labor Armando Caro Figueroa; and union leaders Antonio Cassia, Armando Cavalieri, Andres Rodriguez, Jose Pedraza, Ruben Pereyra, and Francisco Gutierrez. The situation in Tierra del Fuego was also discussed at the meeting.

Caro Figueroa reported that "a channel for CGT participation will be created in the five-year plan which the president will present on 1 May."

The head of the CGT commented that one disadvantage in the interior of Argentina is that "the lack of representation of the Ministry of Labor with suitable officials does not allow regional delegates an arena in which to deal with problems."

Cassia said that "the CGT will express its opinion of the five-year plan." To do so, a panel of leaders will be formed to analyze the proposals which the chief executive presents to the nation on 1 May.

Labor Fraud

The minister paid a great deal of attention to the issue of "labor fraud, especially in northern Argentina, and the role which the Ministry of Labor should play."

Caro Figueroa explained that "given the problem of labor fraud and the inability of provincial governments to provide labor oversight, today (i.e., yesterday), the Ministry of Labor is going to ask the northern provincial governments to carry out the agreements they made, or the central government will take direct charge of labor policy."

The minister stated: "Work done under the table is labor fraud," and cited as an example that "in the North (Jujuy, Formosa, Santiago del Estero, Salta, La Rioja, and some other provinces), for each 100 workers, 70 work under the table. They receive no social benefits, not even retirement."

As for the government's concern about the unemployment rate, Caro Figueroa felt that "the five-year plan will provide a new injection of economic growth."

Outcome of the Meeting

Five-Year Plan

It was agreed to allow the CGT to take part in its formulation and development.

Industrial Employment

The government will ask the CGT and business organizations to centralize oversight of crisis procedures and to analyze the layoffs and personal suspensions that are taking place. Employment measures that different parts of the government will implement will be coordinated.

Labor Fraud

To combat clandestine work and violations of labor and social security laws, the government will ask the provinces to comply strictly with the commitments they have made on labor policy. If such compliance is not verified, the national government will take back oversight powers.

Right to Information

The Executive will send Congress a bill to regulate workers' representatives' right to information.

Labor Reform

The government will accelerate the issuance of implementing regulations for job stimulus laws and laws governing small and midsized companies.

Estabillo Does Not Feel Responsible

Investigation: The governor met with Menem yesterday and agreed that a commission to analyze the industrial process will be sent to Tierra del Fuego.

A panel of businessmen, national officials, and labor leaders will go to Tierra del Fuego next Tuesday to analyze industrial options.

This was decided yesterday by the president, Governor Jose Estabillo, and Minister of Labor Armando Caro Figueroa.

In a press conference afterwards, Estabillo stated: "I never thought of resigning." He avoided quantifying the degree of responsibility that might be attributable to him for the police repression that culminated in the death of worker Victor Choque in the episodes related to the expulsions from the Continental Fueguina company.

The governor, who could not explain how Tierra del Fuego will overcome its economic crisis, blamed responsibility for the disturbances on "Oscar Martinez, an MAS [Movement Toward Socialism] leader," for inciting the workers laid off from Continental Fueguina to "take over the police station."

He acknowledged that "the MAS is not prohibited in Tierra del Fuego," but he was unable to identify the "agitators."

In the meantime, the head of the CGT, Antonio Cassia, warned that Continental Fueguina "was shut down in a fraudulent manner, which was orchestrated by one of its managers," and he questioned "the attitude of the government of the province of Ushuaia (sic)."

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Horacio Massaccesi Interviewed

95SM0309A Buenos Aires CLARIN (SUNDAY MAGAZINE SUPPLEMENT "VIVA") in Spanish 23 Apr 95 pp 56-61

[Report by Gabriel Esteban Gonzalez and David Wroclavsky: "Horacio Massaccesi: His History, His Plans, His Dreams"; first paragraph is CLARIN introduction]

[FBIS Translated Text] He was a good tennis player. He grew up in a Villa Regina farmhouse in Rio Negro. He studied law in La Plata and Santa Fe. He has been married twice: with his first wife he had four children, and with his present wife, two. He has defended political prisoners, he has been a provincial and national deputy, he has been governor twice, and a member of the Constituent Assembly. He became famous in 1991 when he withdrew $30 million from the Central Bank and paid it to government employees and retirees. Now, at the age of 46, after defeating Storani and Terragno in the Radical Party primary, he is trying to make the great leap: to become president.

Massaccesi has no house in Buenos Aires. He barely has a tiny room. But Massaccesi is campaigning: that means the tiny room is in chaos, so our talk will take place in the corner bar near his home. It is a little after 2100, and the black coffee is growing cold on the table covered with papers, and the snacks, provided courtesy of the bar, go untouched. After greeting everyone, this strongly built man with curly blond hair asks to be excused for a moment. While his press director explains his complex agenda, Massaccesi dials a telephone number. He is calling his wife.

"Patricia? I wanted to let you know I am here in the bar with some journalists and I have a dinner afterwards. Sleep well; I love you."

He hangs up his cellular phone and apologizes. "I try not to use it, but...." But he can not do without it. Since he won the Radical primary and became a presidential candidate, Horacio Massaccesi, 46, Rio Negro's governor since 1987, can do almost nothing but politics. Even so, he does not seem to be making any effort to create a particular impression, and he listens silently with resigned calm as his press director tells him what he is going to be doing during the next three days. Silent, he resembles a high-level manager of some important company: a somewhat reserved face, a certain fatigue, conservative gray pants, blue jacket, a blue tie with little dark brown and red horses on a blue and white checked shirt. But as soon as he opens his mouth, everything changes. Massaccesi becomes what he is: a politician ready for battle.

[CLARIN] What is power?

[Massaccesi] (He thinks, grimaces). A tool for change.

[CLARIN] How interested are you in having it? (Not at all, a little, quite a bit, or a great deal?)

[Massaccesi] Let us say, quite a bit. With no power, there is no change. The same is true with just a little power. And with a great deal of power, it turns against you. That is why I say I have quite a bit of interest in power.

[CLARIN] What reasons lead a person to think that he can, should, or deserves to be the leader of 35 million people?

[Massaccesi] Well, first of all, someone has to do it.

[CLARIN] That is a poor answer.

[Massaccesi] (Smiling....) Then I will go on: second, I believe I have some ideas to put this country on the right track. And third, I have no fear of getting back in the saddle and going to work.

Massaccesi's first brush with power, if power means access to public office, came in 1983 when he was elected provincial deputy for Villa Regina, the town where he was born. Then, without interruption, he briefly sampled the exile of national deputies, the headaches of provincial ministers, and the feeling of governing his own province for two consecutive terms. All in 12 or 13 years. The strange thing is that it was not a blind vocation that awakened his political career, or even activism against the process. Many people say that Massaccesi arrived on the scene as an extra and became a star. His surprising arrival on the national political scene came on 5 July 1991 when some newspapers dubbed him the "Robin Hood of Patagonia."

It was a month before the election in which he was running for reelection for another four-year term, and in the Rio Negro Bank there was not a peso left to pay the annual bonus to the province's 30,000 government employees or to Rio Negro's 5,000 retirees. But at the same time, the province was owed about $16 million by the central government for petroleum royalties. In the General Roca branch of the Central Bank of the Argentine Republic there was $30 million which, after arduous and frustrated negotiations, Massaccesi decided to take to defuse the bomb that threatened to dynamite his political career, even though he knew he was running a risk that the national government might take over the province. "It was a gamble, a big gamble. I believe there was a moment in the battle when the outcome was uncertain. What decided it was who had more audacity." Massaccesi thus delivered one of his few defeats ever to Minister of the Economy Domingo Cavallo, who finally agreed not to take over the Bank of Rio Negro and

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to send the jointly held funds to pay the government employees' salaries. The next month, Massaccesi was reelected governor with 46 percent of the votes. He was 42 years old.

His family history records that after World War I, his grandfather Maximiliano left Iesi, his small native village on the Italian shores of the Adriatic, and came to Argentina to settle in Los Hornos, near La Plata. He was 16. There he met an Italian woman, Enna Duranti, and after marriage and the birth of his first two children, Maximiliano decided to try his luck like so many immigrants and took his family to La Dormida, a then untouched site in Mendoza Province. In 1921, with the colony ravaged by lack of water, the couple's third child was born. Maximiliano, an ardent supporter of communist ideas, decided to name that child Leon Trotsky, like the communist leader. But Enna, his wife, energetically opposed that, and after a number of discussions, they agreed: the child would be named Anatole instead of Leon. Trotsky, though, was to remain untouched. A few years later, somewhat disillusioned, Maximiliano, Enna, and their family returned to Los Hornos. However, the pioneering dream remained alive and little time would elapse before Maximiliano found another crusade, this time an agricultural settlement promoted by then President Marcelo Torcuato de Alvear in the Rio Negro valley. The settlement was named Villa Regina in honor of Regina Paccini, Alvear's wife, but things were not easy there for Maximiliano either, and he had to do enormous amounts of work to avert what could have been his second failure. At that time the oldest of his 20 grandchildren, Horacio Massaccesi, started school.

[Massaccesi] I remember my first day in school very well. It was a sunny morning and my mother took me to school, an old school from the early days of the settlement, a rural, almost adobe building. I can describe the scene as if it were happening right now. I remember the teacher, a tall and elegant man, calling for silence because we had to listen to the radio. It was an old radio. They turned it on at full volume, and we heard General Peron opening the school year. We were in Rio Negro, 1,100 kilometers from Buenos Aires, and we heard more noise than General Peron. Then an older girl, about in fifth or sixth grade, started to laugh, and the teacher pulled her out of the group and shook her.... I remember that perfectly clearly. Later, when I was governor, I was asked to name the school for that teacher. And then I remembered that scene. Now that I think of it, that was my first contact with politics....

[CLARIN] A strange first day of school for the oldest son of an anti-Peronist family.

[Massaccesi] Yes, my family was very anti-Peronist. My grandparents were half socialist, half anarchist—Italian farmers who were definitely antifascists.

[CLARIN] You became a Radical in a socialist family. Did you ever dabble in communism?

[Massaccesi] No, no, no. I believe I became a Radical because in my house antifascism was stronger than socialist ideas, and radicalism was always the most acceptable route. The location of the farmhouse was convenient for political meetings, and the Radical barbecues were held there. But not only the Radical ones.... The only condition for entering was not to be a Peronist.

[CLARIN] How much have the history and ideas of your family shaped your political career?

[Massaccesi] A great deal, I am sure. I am the son of a family of farmers. My father is a small farmer who has often lost an entire year's work in just five minutes, and I saw that with my own eyes. But always, a minute after the catastrophe, he was rolling up his sleeves to start over. And I saw that too. So that is why I am sure that is the way to do things.

Until he was 17, Horacio Massaccesi lived with his parents in the farmhouse that the family still owns and that is located two kilometers from Villa Regina's city limits. Maximo, his father's older brother, who was named Maximo in honor of Maxim Gorki, the Russian novelist and politician, played a key role in Horacio's life. It was he who in 1972 brought him into radicalism at the time of the party contest between the presidential slates of Balbin-Gamond and Alfonsin-Storani (Conrado Storani, the father of Federico Storani). He also gave his nephew his first tennis racket. Tennis is still the candidate's favorite sport, and it is how he helped to support himself while he was at the university.

[CLARIN] How did you feel the first time you left your parents' house to go to study in La Plata?

[Massaccesi] Well... going to school 30 blocks from home is not at all the same as studying 1,000 kilometers away.... Just imagine; I was 17, I had been in school with three boys who were my friends in the fifth year of school No. 11 in Villa Regina, and suddenly I was studying with 5,000 people. Anyway, the real sensation of being uprooted that you feel when you positively know you have left home, you are living far away, and you are on your own, I felt that when I left La Plata and went to study in Santa Fe. In La Plata I felt too provincial, and that decision, in essence, was an act of rebellion.

In La Plata, Massaccesi had not done very well; he preferred tennis to law. "I thought a lot about my parents

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and the effort they were making. I thought about that so much that it became a burden. And every night I wrote in my diary something like this: "Today I did not do enough to meet their expectations." At that time, in addition to the monthly allowance his family sent him, he added what he earned by giving tennis lessons at the Jockey Club of La Plata. Tennis had offered him an entry into the most illustrious world of the city, and soon he was playing with Julian Ganzabal and Ricardo Cano, who were then big nationally ranked names. Of course, not everything that glittered was gold: "I played with the best in the best club, but when I went home I had to wash out my clothes because they were the only ones I had." At that time, his connection with politics was limited to participating in the famous university takeovers.

For the first time out from under his family's sheltering wing, Massaccesi, in addition to continuing his law studies and "earning some pesos" from tennis, began to work in a lottery agency in Santa Fe. That was where he met "El Turco" Haddad, who was the boss of the Colon "barrabrava." He opened the door to other odd jobs for Massaccesi: painting houses and loading the cartons in which his father would ship fruit in Rio Negro. At the university, Massaccesi met several young activists of the Santa Fe Morada Group who, years later, would be part of Raul Alfonsin's political team: Luis "Changui" Caceres and the Stubrin brothers, Marcelo and Adolfo. "I remember how they could spend hours talking and talking in the corridors...."

[CLARIN] How are you at managing money?

[Massaccesi] I am not organized. I never know how much I have with me.... (He puts his hand in his pocket and pulls out 250 pesos. "The same ones I have been carrying around for four days.")

[CLARIN] How much property do you own?

[Massaccesi] Three small apartments in Villa Regina worth about $80,000, a 1985 Fiat Regatta, and my wife, Patricia, has some grazing lands with 5,000 sheep that she inherited from her father. Also, we are building a house in Viedma, but I have still not been able to finish my small summer house in Las Grutas. That is all.

[CLARIN] How much do you earn as governor?

[Massaccesi] A total of 3,500 pesos a month, plus representation expenses. But I barely see that money; we send 900 to my oldest daughter, Gianinna, who is living and going to school in Buenos Aires, and my wife handles the rest.

But it was the appearance on the scene of another woman—Maria Beatriz Rodriguez—who in her days as a student induced him to complete his law classes. "When I decided to marry her, I said: well, I will finish my education and then down to work." And in 11 months he took the 11 examinations he needed for his law degree. In 1973, Horacio and Maria were married, in a civil service and, at her request (because he did not want to), in the church near the Villa Regina farmhouse. "I do believe, yes, but I am still looking for the church that best interprets my belief. I have met exceptional religious people with an admirable vocation for service, like the Franciscans or the Salesians of Patagonia. But I have also clashed with some of them...."

Everything went well with his first wife for seven or eight years. But after his political vocation awakened, encouraged by Oscar Smoljan, a leader of the Morada Group in Neuquen, Massaccesi got deeply involved in activism. During the military regime, he defended "political prisoners, union leaders, and lost causes." His political activity kept him busy a good part of the day and night. At that time his marriage began to fall apart. Finally, they were divorced. "I knew the children were going to be hurt by our split, but I was sure the pain would be worse if we did not deal with the breakup of our marriage. A good divorce is always better than a bad marriage." At the time his marriage broke up, Massaccesi was a national deputy. "I voted for the divorce law with both hands held high." Today his former wife lives six blocks from the executive mansion of Rio Negro, she has rebuilt her life, and Gianinna, the oldest daughter of that marriage, decided to move to her father's house, where she lived until she went to Buenos Aires to enter the university.

At the same time, his political career was growing, and after his stay in the provincial Chamber of Deputies in 1983, and his position as interior minister of Rio Negro during the government of the Radical Osvaldo Alvarez Guerrero (now one of his enemies), Massaccesi, aided by fate, prepared for his move to the national political scene. "When I first met (Carlos) Menem in 1988, both of us were governors. It was in the Punta del Este Club. We had to sign an agreement between our provinces, and I suggested to him that we do it in the executive offices. "No problem," he said. "It may be an omen."

[CLARIN] How do you feel when people call you the blond Menem?

[Massaccesi] That depends on who says it. It is fine if they mean I am "an aytpical Radical product." It bothers me when they associate me with ill-conceived pragmatism. When that is the meaning, generally it is said by some failed "princeling," so I ignore it.

[CLARIN] Name two politicians who are clean.

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[Massaccesi] It is hard to find them, but Alfonsin is unstained, and he is consistent; he may make mistakes, but his objective is always democracy. Menem is terrible, but he is also consistent, though in another sense; he is consistent in his pursuit of power.

[CLARIN] Your opponents' campaign message is that if the Radicals come back, problems will also return. What is your answer to that?

[Massaccesi] That when radicalism was in the government many people worked very hard to blame it for some not so good things that happened in the economic field. But let me say that the people now running the country have their problems too, and being a Justicialist in the government is also a burden.

[CLARIN] What is your goal? To be president or to get rid of Menem?

[Massaccesi] No, please. To be president.

[CLARIN] Even though he has been called a "traitor," would you go so far as to say you would never form an alliance with Bordon?

[Massaccesi] No, I would not say that, certainly not. But let me insist that I do have doubts about whether Bordon is saying anything different from what the government says. I think he is a newer offshoot.

[CLARIN] Do you not think you have spent too little time in the "kitchen of power" to run for the presidency?

[Massaccesi] We have lived in a country that has been totally centralized and electorally deformed. Now the budget is completely oriented toward winning elections, and that electoral machinery is detrimental to Argentina's harmonious growth. It is not right that there can be a governor who works very hard but for whom the time never comes to cut a ribbon dedicating a new project, while others are not given help in controlling demonstrations. Something is not working. We need to deal with the nation better and stop thinking that everything starts and ends in Buenos Aires.

[CLARIN] Listening to a federalist candidate talk to the people can still sound utopian.

[Massaccesi] Perhaps, but that is the solution for Argentina. I do not intend to change my approach, but winning or losing an election will not ruin my life. And let this be clear: even though I have never lost an election, what is important to me is that I not be inconsistent, and that I keep putting my ideas forward, and maybe, when they are in the majority, people will say: "Look, that guy has always said the same thing." And that is how it is going to be.

The Candidate and Love

The little five by six [meter] apartment in no way suggests that it is the home of one of the most serious candidates to govern South America's second-ranking power. The 30 and some odd square meters contain a portrait of Carlos Alonso, an ironing board, heaps of files, clothes, and hanging on the wall, a sort of huge telephone directory listing the telephone numbers of the top Radical leaders.

Patricia Querejeta, 38, tries to bring order into the chaos in the Buenos Aires home of the Massaccesis. In reality, she has been bringing order into the life of the Rio Negro governor ever since their paths crossed for the first time about 10 years ago. "Just imagine," comments the woman who is now his second wife, "when I first met him, Horacio was moving around from place to place. And I am not exaggerating by saying that he was living in his old Ford Falcon...." At that time Patricia, who has an economics degree, was the director of external trade for the province. A case involving a building permit for a cold storage plant in San Antonio Oeste was being held up in Buenos Aires, and they were advised to seek the assistance of a young official soon to become a national deputy. Not only did he help to resolve the bureaucratic red tape, but he also invited her to dinner. "We decided to live together in the middle of 1986, and Horacio rented a house in Viedma. My mother would have liked me to marry in white and in the church, but I fell in love with a guy who was separated and who had four children."

In addition to those four children from his first marriage (Gianinna, 20; Maria Fernanda, 15; Mariana, 13; and Leandro, 11) two more have been added by the new couple (Mauro, 8, and Maria Paula, soon to turn 6). They all live in Viedma, for Massaccesi's former wife has a house six blocks away from the executive offices. When he became governor in 1987, Patricia ended her career in the government. "I did not want anyone to think I had privileges because of being 'the wife of.' I have devoted myself to something more important: taking care of my family. Official positions pass, but children remain."

A friend of Mirtha Legrand—she was one of the few guests at her last birthday in Punta del Este, Patricia wakes her husband every day. "He is hard to rouse," she confesses. Though she acknowledges that "Horacio gets along well with women," she is not jealous. "He is. He does not like any of Giannina's boyfriends. And to top it off, he has four daughters." Proud, like her husband, of being born and raised in Patagonia, she says she will never forget the celebration of 10 years of democracy

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that the Province of Rio Negro held in 1993, for the finishing touch was a recital by Joan Manuel Serrat.

Bolivia

MNR Leaders Analyze Party's Functions, Alliances

95SM0310A La Paz HOY in Spanish 16 Apr 95 pp 2-4

[Interview with MNR leaders Guillermo Bedregal, Juan Carlos Duran, and Javier Campero; date and place not given]

[FBIS Translated Text] One year and four months into the government of Gonzalo Sanchez de Lozada, the three subchiefs of the MNR [National Revolutionary Movement], Guillermo Bedregal, Juan Carlos Duran, and Javier Campero, render a balance sheet—of the performance of their party and the coalition, the criticisms that the president made on commemorating the 43d anniversary of the revolution of 1952, the subject of drug trafficking, and his relations with his principal ally, the MBL [Free Bolivia Movement].

Bedregal believes that the MNR membership is in a weakened condition, lacking the cadres that are very important for his party. He admits that most MNR members are not participating in promoting or executing these changes, despite their conscience and convictions. On the subject of drug trafficking, he said that the policy of fighting against this crime is embodied in Law 1008, but he recognized that the government took a contradictory position when it proposed decriminalization and the zero option, almost at the same time.

Campero attributed the criticism of the chief executive to the lack of coordination and institutional relationships between the government and the political instrument (MNR). He maintained that the main error is the lack of skill in communicating the aims and content of the proposed structural reforms.

On the subject of drug trafficking, he admitted that the government does not have a coherent policy; however, he said that Bolivia must succeed in developing a strategy of consensus.

Duran agreed with Campero in maintaining that President Gonzalo Sanchez de Lozada criticized the failure to communicate with society about the reforms. He attributed to "political intrigue" all the internal problems the disillusioned MNR is experiencing.

The three subchiefs underlined the significance of the MBL's participation in the coalition; they considered it a very important ally for success during the Sanchez de Lozada presidency.

Questions

1. The president recently criticized the MNR, and specifically its leadership. He said that they are watching structural reforms "from the sidelines" and they are no longer the vanguard of change. Does this have anything to do with the internal campaign over the candidacy for president?

2. If many MNR members are not participating actively in promoting and effecting change, is it not because they do not completely believe in them?

3. As a movement, the MNR is made up of a number of sectors with different ways of looking at things, but the internal fights are no longer over simple differences of views. Angry outbursts occur that cause one to conclude that internal enemies are being created. What is the reason for this?

4. A recurring theme of the MNR leadership was the demand for a greater presence in the government. The executive secretary promised to fight for that. Several months have already passed since that commitment. Were his requests heard?

5. The MBL is constantly charging that there are sectors of government interested in getting them out of the government. Coincidentally, recently the minister of government achieved an important success in the United States, fulfilling a role that according to some political figures should have been performed by the foreign minister. Are MNR members unhappy with their allies?

6. The main MNR campaign promise—about the 500,000 jobs—remains an uncertainty, and capitalization has already received its first wound with the modification of the proposed telecommunications law. Do you agree with some political analysts that this time the MNR made the mistake of promising too much during the electoral campaign?

7. On the subject of coca and cocaine, although the MNR at the last moment seized upon Law 1008 as official policy, it could not avoid an upsurge in serious conflict, such as the march of the coca growers and the U.S. ultimatum. The MNR even went so far as to sign an agreement on decriminalization, witnessed by the Catholic church, without considering that it is in fact unworkable, simply because the United States opposes it. Did the MNR commit an error in not providing for an antinarcotics policy?

8. The three subchiefs of the MNR seem to be engaged at the moment in trying to placate different sectors of the party. Not even one of them is taking over for the chief, as happens in other parties, at a time when he is overwhelmed by the great problems of running the

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apparatus of the state. It is even said that none of them will be able to try for the presidential candidacy, as "Goni" is thinking about one or two persons "that he trusts." Do you not think that the party esprit de corps is being lost?

Campero

I do not believe that a premature competition over the presidential succession, which is evident, is the reason for public criticism of the MNR leadership by the chief of the party. I believe that other mechanisms exist that are not working as they should. I refer, specifically, to a coordination and an institutional relationship that are characteristic of all democratic systems, between the government and its political instrument, which is the party. In this case, the relationship did not exist between the government of President Gonzalo Sanchez de Lozada and the MNR. I attribute this criticism to a lack of effective, permanent, and rational communication by the Executive with the party from an institutional point of view, and not to this premature internal competition.

2. One of the internal criticisms that has been made concerning the government is its inability to communicate the aims, content, beneficiaries, and final objectives of the structural changes—not only to the party, but basically also to the country.

3. More than a party, the MNR is a movement that was born from a need to form an instrument with a fundamental antagonism to imperialism, to the aggression of the antination against the nation. This created internally a structure of democratic debate that was characterized by sometimes very radical differences from an ideological point of view. So that during the first years of the government of 1952, left- and right-wing groups appeared, with different views of methods and realities. Nowadays we have left this ideological difference. What remains are organized internal groups that compete to have a greater and more effective participation at decision making levels, and this is what creates activity inside the party, criticism that is constantly being evaluated.

4. From the beginning, the MNR has tried to be a participant in government and to be the moving force behind change in Bolivia. Starting in 1952, with the formulation of the New Economic policy, there has been a fundamental change in participation by the parties and in the administration of the state. Access to public administration by members of the MNR has been blocked by a series of factors such as the need for participation by a technocracy, which was fundamental in the early stages, in the formulation of theoretical legal instruments that constitute change.

I believe that since then the situation has been changing, the principal instruments have been approved, and now there is a need for precisely what the president demanded on 9 April, that the political instrument of the government be the effective mechanism that transmits the content of the reforms and convinces the people that the purpose of the reforms is to achieve profound structural changes. This has meant recent changes at mid levels in public administration, where technical elements and party members are assuming that responsibility, because we believe that the moment has come for men who are absolutely committed and militant about the government's program be the ones who conduct the administration of that program. In that sense, I believe that these demands have been heard and they will be gradually heeded.

5. The charges from certain sectors of the MBL about the presumed existence of individuals in the government who seek their departure are known to everyone. In my capacity as third subchief of the party, someone associated with the leadership of the political group of the government coalition and with the government itself, I am unaware of the existence of a group that seeks the departure of the MBL from the government. I personally consider the alliance highly necessary for the government. I believe that the MBL's participation and dedication in public administration, among many other factors, has avoided many problems.

6. That campaign promise has always been distorted. About 50 percent of that figure referred to the creation of new jobs, and the other 50 percent to the improvement of jobs that were considered temporary. Obviously, in a country with the characteristics of poverty and dependency such as ours, to achieve objectives of a dimension that signifies breaking the chains of poverty and dependency is extremely difficult.

Now, even if that promise has not been fulfilled proportionally during the years we have governed, the foundations are being laid for the substitution of sources of alternative investment that will assure the demand for manpower that we anticipated. If it is not possible to do so by the end of President Sanchez de Lozada's administration, then this objective can be achieved in coming years.

7. With regard to an antinarcotics policy, what is needed is a national consensus which would allow the country to develop the systems of solidarity for the formulation of a long-term strategy, in which immediate and medium-term goals may be fulfilled. This permits us to see the new systems of dependency that have developed between the most powerful country and one of the poorest, and should convince us of the urgency of

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a profound exchange of ideas, of the need to depoliticize the subject and achieve that solidarity, in order to create an antidrug trafficking strategy that will be consistent and achievable, but basically would represent a national consensus.

8. The MNR has had a fundamental characteristic since its founding almost 53 years ago. It has been the talent of its leaders to keep up with new conditions in the country, created by the party's actions. This has come to be called, in special recognition of its most important leader, President Victor Paz Estenssoro, "the heterodox pragmatism of the MNR." This has made it possible for our ideas to have enjoyed the success we have so far experienced, and for us to continue to advocate profound change.

The idea of democratization that gave rise to these three subchieftanships is the result of the fact that, once the principal leader of this party, which had the conditions, the characteristics of a caudillist party, leaves the party's leadership, a great vacuum is created. We have had the good fortune to fill it with the leadership of a Gonzalo Sanchez de Lozada, who does not represent one caudillo substituting for another, but rather a new image, a new reality, characteristic of the organizational structure to which the party has grown accustomed.

The party's internal regulations clearly establish the system of election of the MNR's candidates. But if there is more than one candidate, the statute establishes the need for this situation to be resolved by means of a universal and direct election, where all of the members, on the same day, throughout the country, must vote for whom they want to be the party's official candidate. In this case, it is no longer the convention, but the grass-roots membership and an internal democratic procedure that resolves definitively who the party's official candidate should be.

Bedregal

1. Criticism inside the MNR is normal, and we received the statements of the president as constructive criticism. What the MNR has done during this time, from the grass-roots point of view, has been to become aware of the program and its magnitude, and the fact that we may not have been the vanguard is because participation in the operative instrument of change has been lessened, to the cost of very important elements of the party.

2. The great mass of MNR membership is not participating actively in promoting and carrying out these changes, despite their awareness and conviction that the changes are historically the most timely that could be advanced in Bolivia, that they are a patriotic necessity and correspond to the theory and practise of the national revolution. We know that misunderstandings and breakdowns that may have existed in these months of government are going to be resolved in favor of those who demand a position in the struggle, so that the government will be in the hands of the MNR and can carry out the program according to the positions laid down in the "Plan for Everyone."

3. The MNR is not made up of sectors, but of social classes that have different interests, but in line with the historical and social development, none of these classes, by itself, can exercise hegemony, due to the fact that Bolivia's economic structure is not in a condition to create a proletariat, a bourgeoisie, or an agrarian business structure. This explains the validity of the MNR's theoretical plan carried out in the class alliance, which has national and democratic objectives, and which has produced change, showing that the party is not only one of "class warfare," but is also a multigenerational and now a multiethnic party. There are some internal rivalries based on personality conflicts that do not take into account the theoretical political nature of the party and its state obligations, but concern competitions over personal power, which is obviously a regression.

4. The MNR leadership is very mobile and active. I believe we are "hyperkinetic." We do not believe in the theory called "movementization." I personally do not agree with that word and what it means. What I believe is that people who are ideologically committed to the government's program are men and women with passion, heart, soul, spirit. People with such idealistic motives are required in the operation of the state, in a peaceful, revolutionary process, such as we are engaged in, and this sometimes creates the impression that the only thing the MNR wants is to be the great promoter of that kind of change.

5. The people of the MBL are our distinguished allies. I believe in their sincerity in participating in this process of change. So far, they have done this loyally, with some initial difficulties due to the fact that there was no permanent mechanism for interparty coordination in the government coalition.

6. We have fallen behind for a number of reasons. Unfortunately, capitalization is undergoing some difficulties because it is not only a matter of changing the telecommunications law, proposed by the executive, but because in recent months the financial world, after the crisis of 20 December 1994 in the Mexican global economy, experienced a series of consequences and repercussions that damaged certain possibilities in the framework of capitalization.

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7. Regarding the cursed pair, coca and cocaine, the MNR created a great consensus that in 1987 produced a policy and a national strategy that is contained in law no. 1008.

The problem of coca and cocaine is directly related to the lack of a definitive resolution of the agrarian problem in Bolivia; the excess of human capital that leaves the agrarian reform zones in western Bolivia to work in the coca plantations in Chapare is the result of an economic situation.

I recognize that the government has made contradictory statements, such as the decriminalization of coca, and at the same time proposing the "zero option." This resulted in the administration not carrying out eradication plans, and we are now urgently trying to fulfill them.

The problem of narcotics is worldwide. Therefore, programs and achievement of goals are not tasks for one small country, but should move the consciences of those who have the great consumer markets for the drugs produced in our countries as the result of technological aggression. We do not produce precursors, we do not have the means of transportation nor the commercial sophistication. Our countries are not important in money laundering, in enabling it to circulate in the financial arteries of the great industrialized countries. It should not be forgotten that, of approximately $600 billion from the drug traffic, almost 70 percent circulates through laundering mechanisms in the metropolitan countries, especially the United States. It is a fact that the Americans themselves recognize. They must fight harder instead of imposing things on the weakest.

8. The existence of the three subchiefs is established in the statutes. It is not party bureaucracy, but involves specific tasks assigned as a function of regional balance. This has never been made clear. The first subchief is me. I am from La Paz. The second is from Santa Cruz, and the third is from Tarija. We are able to deal with regional concerns, which are very important in the MNR.

The fact that the president of the republic continues as head of the party violates no provision of law. Perhaps some actions have been more open than those of previous presidents, who said they would not exercise party leadership and proclaimed themselves presidents of all Bolivians, but behind the scenes continued as chiefs of their parties.

The presidential candidacy is something the MNR will resolve internally. Goni's succession is of no importance if Goni fails to win the approval of the political and social communities of Bolivia, which is the party's aim.

Duran

1. I believe that there was a misunderstanding regarding the president saying that the party is watching from the sidelines, and that the MNR is not the vanguard of change. This is due to a conversation I had with him—because, first, the party approved the changes in Congress, where there is a huge MNR majority; second, in the government structure, in the executive as well as in the legislature, there are important members of the party. What the president referred to was that we, as a party, are not communicating the structural reforms to the people. This has nothing to do with the presidential candidacy, because this is another subject where the opposition or interested persons launch candidates inside the MNR for the purpose of creating problems and dissension within the government.

Although Guillermo Bedregal has launched his candidacy, everyone knew after the first few days that it was weak, and now nothing remains of it.

2. The measures taken by the government were not only approved and carried out but were also sold to the people through the "Plan for Everyone," in such a way that the MNR and the measures are the same thing. It is mischievous to try to claim that the MNR disagrees with the way the changes are carried out.

Now, it is true that everyone in the MNR is not in the government, but it is very difficult for the approximately 70,000 members of the MNR to occupy public office. There are not enough for everybody.

3. I state emphatically that there is no internal struggle in the MNR; rather, there is a chief, who is the president of the republic; there are subchiefs and an executive secretary, and the democratic organs, where there is no struggle. The struggles are invented by the opposition and people interested in wanting to show a divided MNR, because that is what they would like to see.

4. One of the problems we are having at the moment is that we are not acting in accordance with the standards of the Patriotic Accord [AP]: treating the government as booty. I would say that the people of AP have remained in much of the public administration, and this is what caused a problem in the MNR and the other coalition parties, in the sense that they have no jobs, while the AP people continue to work.

Obviously, this has caused discontent, but we regard the public administration from a different point of view, not as political booty, to divide up the jobs, one for me, one for you.

5. We are comfortable and happy with the MBL, which is an honest and loyal allied party, so that there are no

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problems with the MBL, nor with the MRTKL [Tupac Katari Revolutionary Movement], the SYD [expansion not available], or the other smaller parties. This is another point which usually involves the opposition or other persons interested in creating divisions inside the coalition, in order to weaken the government. That is why they try to divide us; it is another political intrigue.

6. The MNR promised what it could give. We are trying to deliver, and we are delivering in the form of basic measures. Now, to say that the telecommunications law is flawed because the original plan was not enacted and agreement was reached with the telephone cooperatives, is not true. The plan can be modified, as was the law of capitalization, with regard to the distribution of shares in the mixed corporations with the strategic partner.

Obviously, there are political leaders who begin to talk about campaigns, what the people who stay in government are going to do, or that they are going to win the election. This is what immature people do, who do not have a realistic sense of the history of the country, of what Bolivia is.

7. I believe that if anyone has seen the antidrug trafficking problems clearly it is the MNR. I suggest a look at history to see what the government of Dr. Paz Estenssoro did after the passage of law 1008, which is the only real policy that exists.

This much is clear. The government knows what needs to be done, and U.S. policy has three very clear phases: the first was alternative development; the second was substitution of the coca, which is an important precursor for manufacturing cocaine; and the third, eradication.

Speaking of antinarcotics policy, it is contained in law 1008, and as long as that law is not changed, that is the policy.

8. The MNR is a democratic party in which everyone knows what he has to do, and the statute assigns functions to each level of the party. When the chief is in charge, as in the current situation in which Sanchez de Lozada exercises the chieftainship of the MNR, of the coalition, and of the Presidency of the Republic, no chief can take his place, unless he decides that one of the subchiefs could replace him.

We subchiefs know that when the chief of the party is not in charge, any of the subchiefs can assume the leadership of the party. Meanwhile, the subchiefs have tasks to perform inside the party. Regarding the candidacy, it will be resolved as the statute says, in a national primary. Not by the wishes of three or four leaders, and what we have to do is make a good government in order to have the possibility of a future. The party will decide the candidacy. The business of launching candidacies prematurely, of creating crown princes to the client's taste, is a way of wishing problems on the MNR that do not exist.

Brazil

ESCA Submits Checks To Prove Social Security Payments

PY0505214295 Sao Paulo AGENCIA ESTADO in Portuguese 0208 GMT 5 May 95

[By Fernando Granato]

[FBIS Translated Text] Sao Paulo, 4 May (AE) — ESCA [Automation and Control Systems Engineering], the enterprise that was chosen for managing the Amazon Region Surveillance System (Sivam), this evening showed to PV [Green Party] Deputy for Rio de Janeiro Fernando Gabeira and PFL [Liberal Front Party] Deputy for Parana Luciano Pizzato the checks with which it claims to have paid Social Security contributions. PT [Workers Party] Deputy for Sao Paulo Arlindo Chinaglia has charged ESCA with forging social security constribution receipts.

"The checks, at any rate, do not rule out the possibility of fraud, because they bear dates that are different from those appearing on the receipts," Gabeira said. According to auditor Luiz Carlos de Luca, who was contracted by ESCA, the enterprise paid the Social Security contributions and the money was deposited at Itau bank in an unidentified account. "The bank alleged bank secrecy in order to avoid releasing information on the acount," Luca said. The checks that were submitted by ESCA were issued between 23 and 30 June 1993. The receipts, however, are dated 1991.

The enterprise is charged with owing 7.5 million reals to the INSS [National Social Security Institute]. The Social Security Ministry has confirmed that the receipts were forged, but did not say who was responsible. The law sets forth that enterprises owing debts to the INSS may not sign contracts with the federal government.

Federal Judge Casem Mazloun ordered a Federal Police inquest into the charges. This measure was requested by the Federal Attorney General, based on an initial analysis of the documents submitted by the INSS, which filed five requests against ESCA.

According to Federal Attorney Ricardo Nahat, there were "indications of illegal action," because of the issuing of blank receipts, and because the figures registered by the enterprise do not match those of the seized receipts.

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Jobim Views Antidrug Legislation, Reforms

95WD0276A Brasilia CORREIO BRAZILIENSE in Portuguese 10 Apr 95 p 10

[Interview with Justice Minister Nelson Jobim by Armando Rollemberg and Ruy Fabiano; place and date not given]

[FBIS Translated Text]*The minister of justice, Nelson Jobim, has no doubts: If Brazil fails to establish an antidrug policy for the Latin American region, it will be a mere executor of policies devised by the Americans. Hence, he prefers to announce, effusively, partnerships with the neighboring countries. He also remarks that the accord, to be signed as early as this month, for an exchange of contributions between the United States and Brazil to combat the drug traffic is "generic." Moreover, he enthusiastically announces changes in the legislation on repression. "I am opposed to repression of the user," he claims. However, he does not join the chorus of those calling for decriminalization of drug use. He considers the experience of the countries that have adopted it unsuccessful, asserting that, if he were in Congress, he would be voting against the Gabeira bill for legalizing marijuana use. On this point, he is an advocate of the Argentine legislation, in which three categories have been created: "the user, the dependent user (who is an addict), and the trafficker." In an interview with CORREIO BRAZILIENSE, Jobim declares: "The Argentine law maintains that all three engage in illicit acts, but offers a different procedural solution for each, thus solving the problem." As for the constitutional reforms, he says that, if the Congress defends special pensions and other privileges, the government will have no qualms about revealing it to the nation. He stresses: "The government's base is the votes received by President Fernando Henrique to reform the country." As for the incident involving the bribes paid by the Cristovam Buarque government to the demonstrators who came to Brasilia to protest the reforms, Nelson Jobim declares that it was an error, a mistake. "If the fad catches on, the Nazi groups also might come to Brasilia demanding bribes." However, he guarantees that the flow of government funds will not be cut off for the DF's [Federal District] PT [Workers Party] government."*

[CORREIO] Does the government intend to propose decriminalization of drugs and legalization of marijuana?

[Jobim] On this drug issue, we must be very careful about the terms that we use, because we run the risk of debating words instead of facts. One of the

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most ambiguous words that exists is that precisely: "exculpation" or "decriminalization" of drugs. There is a simple reason for this: namely, that things are not decriminalized, but rather behavior in relation to things. It is not things that are criminal, or cease to be criminal. It is, rather, the behavior of persons in relation to them. For this reason, starting in May, I intend to submit the following question for discussion all over the country: Should the addict, the dependent person, be treated in the same way as the trafficker? Are we, or are we not going to distinguish the dependent person from the trafficker, so as to know whether the trafficker should be treated with a penal policy, and the dependent person as a public health case? We must have a clear idea of who should be subjected to police pursuit and criminal action.

[CORREIO] But that is not a domestic debate....

[Jobim] No, the drug traffic is a multinational crime; it is not a domestic crime. The drug traffic considers the national states as mere spaces in which to engage in its illicit activity. And what happens? It so happens that Latin America, in particular, is fighting the drug traffic through strictly domestic policies. That is why I initiated talks with the Argentine minister of justice, to discuss the formulation of a Latin American policy to combat the drug traffic in the region.

[CORREIO] But, on this drug issue, isn't it fundamentally the opinion of the United States that matters?

[Jobim] If we continue the policy of bilateral accords with the United States, without having a policy for the region, we could run the risk of playing the role of executors of policies devised by the Americans. That is why I want to achieve the agreement with Argentina first. When this is done, we shall extend that agreement to include the region's other countries: Colombia, Bolivia, Chile, Paraguay, Uruguay, Venezuela, etc. With a defined Latin American policy, we shall be able, through multilateral treaties, to devise a policy for the region to combat the drug traffic. With this, we can sit down with the Americans to reach an accord.

[CORREIO] But isn't a renewal of the accord for cooperation between the United States and Brazil to combat drugs planned in the near future?

[Jobim] We are attempting to decide on the accord with the United States before the president's trip.

[CORREIO] And what does that accord involve?

[Jobim] It is a generic accord, which reopens the possibilities of contributions between the United States and Brazil to combat the drug traffic. The methods of operation will be decided later.

[CORREIO] Do you admit that the FHC [Fernando Henrique] government represents a new position with regard to drugs? Is the Ministry of Justice convinced that repression, pure and simple, does not solve the problem, just as has occurred in the case of the agencies dealing with that problem in other countries?

[Jobim] The government's concept is something broader. It is that public security is not merely a matter for the police. Public security is essentially security based on liberty.

[CORREIO] And is "Operation Rio" combating violence?

[Jobim] The violence in Rio de Janeiro has provided a basic commodity, namely, the drug traffic. But that commodity is not produced in Rio, is it?

[CORREIO] That suggests the reinforcement of inspection on our borders....

[Jobim] But if we stop the drugs on our borders, they will go to Argentina. If Argentina acts only on its own behalf, and blocks its borders to the traffic, the drugs will return to Brazil. That is why we need a common policy.

[CORREIO] But that is not an easy matter. A common policy would require that the various congresses pass the same legislation....

[Jobim] I am not claiming that the path would be easy. But the fact is that the policy carried out thus far has brought no results. Concurrently with the legislative agreements, we must have executive branch agreements, aimed at interaction and exchange of information among police forces. Do you know that the Brazilian Federal Police have never been in contact with the Argentine Federal Police? The first contact between the two police forces has occurred just now, during my recent trip to Buenos Aires.

[CORREIO] If you were still in the Chamber, would you vote in favor of Fernando Gabeira's bill, intended to legalize the possession of a small amount of marijuana for personal use?

[Jobim] No, I do not favor legalization, pure and simple. But, as minister of justice, I want to bring that topic up for debate. In principle, I do not believe that mere liberalization will solve the drug problem.

[CORREIO] Then what would the solution be?

[Jobim] Oddly enough, the Argentines have discovered the method. In their legislation, they created three categories: the user, the dependent user (who is an addict), and the trafficker. They maintain that all three

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engage in illicit acts, but offer a different procedural solution for each, thus solving the problem. The user is not convicted. And the judge, convinced that the user is dependent, at the very outset, suspends the course of the proceedings and decides on the subject's confinement. If he is cured, the proceedings are dropped. Thus, the Argentine legislator never reaches the point of declaring "this is a crime" or "this is not a crime." He concludes that there has been an illicit act, involving a public health problem, and has the user confined, suspending the proceedings. In the case of the drug trafficker, this does not occur; there is still a penalty.

[CORREIO] Do you think that the alarm with which some experts have reacted to the indications that Brazil has really become one of the traffickers' preferred routes is warranted?

[Jobim] That is why we must act quickly.

[CORREIO] But how can the borders be monitored if the Armed Forces are complaining of the lack of basic equipment that would enable them to operate?

[Jobim] Your question is geared to a domestic method of trying to solve the problem. At the time when particular objectives are set, you must go in search of the necessary budgetary funds for meeting them. If you have an international agreement, it is easier to cooperate in fighting drugs at their source, instead of building a wall to protect your own stronghold.

[CORREIO] Action must also be taken in the large consuming centers, especially in the United States....

[Jobim] Exactly. I have been informed that, in New York City, when a certain level of drug supply is reached, that minimum has to be maintained. Because if there is a drastic reduction in the drug supply as a result of the internal battle, the consumer is driven to desperation, and this generates a considerable rise in the city's crime rate. In other words, the violence in the city is heightened whenever you reduce the supply and raise the price of drugs.

[CORREIO] Returning to Rio de Janeiro, the other day you admitted the possibility that the soldiers might react to the traffickers' attacks with gunfire. Doesn't the government fear that this second phase of "Operation Rio" may, in fact, become a war with the bandits?

[Jobim] I hope not, but the state cannot retreat from the criminal. If he wants a confrontation, we shall hold the confrontation. But we are acting based on an overall public security plan, including joint action by the police and military forces.

[CORREIO] Now, let us take up political issues. After 100 days of its term, the impression outside is that the government, with the collapse of the Mexican economy and Argentina's difficulties, has been left with its discourse damaged. At least to anyone out in the boondocks, the government apparently has been left without any discourse. What is your view of this?

[Jobim] That is the interpretation disseminated by those who want us to keep the old discourse. In other words, after the problem occurred in Mexico, who were the first to try to identify Brazil with Mexico? It was the Brazilians themselves. Which ones? Those who knew that their privileges would be affected.

[CORREIO] And who are those prominent persons?

[Jobim] The corporate sectors of the society, all of them, especially the corporations linked with the state. The beneficiaries of the public sector, and the medium middle class. They are the "hornets' nests" mentioned by the president.

[CORREIO] Could you give a better explanation of the purpose of the reforms? The government's adversaries claim that they will only serve as a bridge for the establishment of a neoliberal type government....

[Jobim] The reforms have nothing to do with the neoliberal or non-neoliberal model. That is not what is at issue. Basically, we are attempting to make a complete separation of what would be a constitutional policy from a government policy. What is at issue is the possibility of your running a country, running a government. And what did the Constitution of 1988 do? In the telecommunications sector, for example, it separated two items: "public telecommunications services" and "other telecommunications services." And it says that those on the lower level ("other services") were to be carried out by the union directly, or through concession, authorization, or permission.

[CORREIO] And what about making the Petrobras [Brazilian Petroleum Corporation] monopoly flexible?

[Jobim] Virtually the same thing is happening. The Constitution, based on the tradition dating back to 1954, monopolized petroleum operations. The prospecting, drilling, refining, importing, exporting, transporting, and conveying through oil pipelines are in the union's hands. All this is a monopoly of the union. But, not satisfied with this, the Constitution says that the operation of those five sectors shall be carried out by the union only through its state enterprise, prohibiting private capital in any one of those sectors. And what is the government proposing? That the union monopoly be maintained, but that a law be made viable stipulating the possibility and specifying the time when the union could contract private enterprise for the operation of those services.

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[CORREIO] What you claimed about Petrobras and telecommunications is not known to the public. For example, the reform of Social Security caused a general outcry....

[Jobim] In the case of Social Security, you have all the protection of the acquired rights clearly defined in the text. The discourse that is being disseminated by those opposed to reform is false, because it claims the contrary. They are attempting to cause alarm. What we want is to ensure the rights existing today, and to guarantee the future of Social Security. So much so that the bill submitted by Eduardo Jorge, of the PT, is very close to that of the government.

[CORREIO] Do you believe that the members of Congress will agree to abolish their own special pensions and those of the members of the Judiciary, to cite just two examples?

[Jobim] That is the responsibility of the Congress. The government will not have any fear of revealing that to the nation.

[CORREIO] But, in making that disclosure, won't the government be acting contrary to a sizable portion of its congressional base?

[Jobim] The government's base, in that specific case, is the votes received by President Fernando Henrique for reforming the country. And he will not break that commitment. The Congress cannot assume the role of an over-the-counter body. The government's relations with the members of Congress cannot be business relations.

[CORREIO] You mentioned the "over-the-counter body." And who is on the other side of the "over-the-counter body," demanding compensation from the government?

[Jobim] We will be able to name names at the proper time. The government will not fall for that game. It does no good to attempt to achieve the adjustment of the future with the rules of the past.

[CORREIO] How did you react to the incident involving the "bribes" paid by the Cristovam Buarque government to the demonstrators who came to Brasilia to protest the reforms?

[Jobim] It was an error, a mistake. Now, if the fad catches on, the Nazi groups also might come to Brasilia demanding "bribes."

[CORREIO] But does that mean that the flow of federal funds will be cut off for the DF's PT government?

[Jobim] No, there will be none of that. The Fernando Henrique government will not engage in that type of retaliation; not at all.

Chile

Insulza Denies Possible Derailing of Entry Into NAFTA

PY0505164495 Santiago EL MERCURIO in Spanish 27 Apr 95 p C6

[FBIS Translated Text] Yesterday Foreign Minister Jose Miguel Insulza refuted comments by former U.S. Secretary of State Henry Kissinger, who expressed his doubts about the Bill Clinton administration's capacity to extend NAFTA to Latin American countries, which would mean postponing Chile's entry to that important pact.

Insulza agreed that the negotiations are somewhat delayed, but noted that this was due to U.S. and Mexican domestic problems, and not to an alleged lack of political will by the United States.

Estaban Tomic, member of the Christian Democratic Party's Committee for International Affairs, said that the teams appointed by the government to carry out such negotiations as Chile's possible entry into NAFTA will not be discouraged by difficulties that have or may surface throughout this process.

Kissinger, who is currently a commentator and international consultant, said that the U.S. trade partnership with the rest of the Latin American countries is at stake, among other things due to the Mexican crisis and the Clinton administration's passive attitude with regard to extending NAFTA to Latin American countries.

He warned that this could cause the United States to lose its leadership in Latin America while Mercosur [Common Market of the South] gains strength, and Brazil and Argentina consolidate the development process and become the driving force in the regional integration process.

During a telephone conversation with Minister Insulza, who is visiting central Europe, he admitted that the negotiations that seek to make Chile the fourth NAFTA member are experiencing some delays.

He mentioned domestic problems that President Clinton and Mexican President Ernesto Zedillo have been facing, but also said that by no means can one say that there is a decision, especially by the United States, to postpone Chile's entry into NAFTA.

Insulza said: "We are not aware of any desire to postpone this process, and therefore I think it is unfair to say that Clinton has a passive attitude regarding the extension of the treaty to the rest of Latin America."

To support his statements Insulza recalled that the ministers of Chile and of the three NAFTA member

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countries — that is, Canada, Mexico, and the United States — will meet in Ottawa next month.

Regarding Kissinger's comments, Tomic said that the former U.S. secretary of state is in favor of NAFTA, and that Kissinger's comment that NAFTA should seek a rapprochement with the other great bloc of this continent, that is, Mercosur, seems reasonable.

Tomic pointed out: "NAFTA and Mercosur surfaced in a parallel manner, and should meet at some point. The streamlining of the Brazilian economy and the stability of the Argentine economy guarantee the existence of a very strong developmental bloc in the Southern Cone that cannot be ignored by NAFTA."

Minister Notes Full Mexican Support for Joining NAFTA

PY0505144495 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 5 May 95

[FBIS Translated Text] The Mexican Government has reiterated its full support for Chile's entry into NAFTA. This was disclosed by Finance Minister Eduardo Aninat upon his return from that country.

Aninat returned from Mexico, where he spent two days discussing Chile's entry into NAFTA. During an interview with Mexican President Ernesto Zedillo, the latter reiterated his support for Chile's joining NAFTA.

[Begin Aninat recording] For the Chilean delegation, although this was what I call a flash [preceding word in English] visit, it was important to once again obtain the political support of the highest level Mexican authorities for Chile's future entry into NAFTA. [end recording]

Aninat said that the first meeting among U.S., Canadian, Mexican, and Chilean ministers will be held on 7 June, probably in Toronto or Washington. On that occasion the next steps to be followed in these negotiations will be established.

Areas of Potential for Joining NAFTA Analyzed

PY0605010295 Santiago LA TERCERA DE LA HORA in Spanish 23 Apr 95 p 4

[Article by Jose Antonio Guzman Matta, chairman of the Production and Trade Confederation]

[FBIS Translated Text] The proximity of the date agreed upon to begin negotiations in pursuit of Chile's entry into NAFTA is prompting comments, apprehensions, and controversies that are worth analyzing to prevent misunderstandings and false expectations.

For the United States, it is obvious that the Mexican crisis has cooled the enthusiasm of many supporters of this idea. Perhaps because of the tremendous amounts of resources that had to be lent to Mexico or the negative effects that prompted the devaluation of the Mexican peso on U.S. exports to that country, there are many voices that demand greater prudence before admitting a new partner.

To this is added a tough controversy between Democrats and Republicans over the attempt to include the labor and environment issues in the negotiations, and the emergence of many new congressmen who, when in doubt, will probably prefer to abstain. Moreover, the Mexicans, immersed in their problems but favored in their trade with the United States, refuse to reconsider the current agreement that could make them lose their advantages. Canada poses no obstacles.

Nevertheless, Chile has several good areas of potential. First, the formal invitation from the presidents of the three serious and friendly countries to join them, which sooner or later will take place. The second is a solid economic position and a diversified and balanced trade with the main zones of the world, the preservation of which does not depend on this or other types of similar agreements. The third is its dynamic entrepreneurial capacity, which has made it possible to gain access to other markets.

I think Chile must not put its cards on the table without being certain first that its interlocutors are fully authorized to negotiate. In the case of the United States, this implies a congressional authorization to negotiate through the "fast way" ("fast track"), which does not seem easy to obtain, as already noted. Without disregarding our participation in the areas already opened to reach a consensus and to accelerate negotiations, our task must focus on thoroughly preparing our proposal and training the negotiators well to make sure that they will secure a good deal for Chile at the opportune time.

Army Adopts Measures in View of Unrest Over Letelier Case

PY0505211895 Santiago EL MERCURIO in Spanish 28 Apr 95 p C3

[FBIS Translated Text] According to military sources yesterday, the Army high command decided to suspend a meeting of Tactical Unit chiefs on 26 April in order to maintain normalcy in the various Army barracks and premises.

The order to suspend the meeting of Army commanders, given directly by General Augusto Pinochet, is based on the "sound belief" that the political campaign in favor of a severe sentence for retired General Manuel Contreras and Brigadier Pedro Espinoza may generate possible

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attacks and inconveniences in the various military units throughout the country.

Therefore, the chiefs of the tactical units received the order to return to their garrisons and take the necessary measures to avoid "unpleasant surprises" and maintain normalcy.

In military terms, this measure can be interpreted as the Army being on a certain degree of alert whereby all officers must be within reach and willing to return to their units as soon as possible.

In the meantime, Army Commander General Augusto Pinochet, when asked about the subject yesterday at the end of the ceremony to celebrate the Carabineros' 68th anniversary, only answered: "Find out for yourselves."

In the midst of the great expectation that arose among journalists as he was leaving, Gen Pinochet insisted on asserting that, regarding the upcoming court ruling on the Letelier case, "the politicians were the only ones to exert any pressure."

Regarding the same subject, Minister Secretary General of Government Jose Joaquin Brunner said that the government does not have any information on the reasons why the Army suspended the meeting of commanders of the regional units.

Brunner flatly denied there was anything strange in that military decision, and asserted that the government will not speculate on the events, especially now that the country requires a climate of peace.

Yesterday the corp of Army generals held another 3-hour meeting that ended with a luncheon at the Army Staff's convention hall, on the fifth floor of the Armed Forces headquarters.

The meeting, which was labeled "informative," started after 1200 and was headed by Army Deputy Commander Major General Guillermo Garin Aguirre. Later, Army Commander Captain General Augusto Pinochet joined the event.

Consulted about the meeting, official Army sources said it was a closed-door meeting. It was leaked, however, that the group of generals assessed the statements and counterstatements by various political sectors regarding the Letelier case, which have caused great unrest within the Army.

Unofficially, it was stated that what caused most unrest was the joint declaration of the Coalition of Parties for Democracy and the campaign "Chile Needs Justice" demanding drastic punishment for the military officers charged with murdering the former foreign minister in Washington.

Yesterday's meeting ended after 1500 and the generals did not make further comments. Only General Hugo Jaque, national defense deputy chief of staff, chatted briefly with the media, and said that Gen Contreras, although he is no longer in the Army, is still a member of this institution.

He added: "There is concern. You must understand that this issue causes concern because we all belong to an institution."

Jaque also said: "A retired officer still belongs to the institution."

When asked whether these types of actions contribute to peace in the country, Minister Brunner said: "Each social or individual sector must assume its own responsibility and be aware of what the country expects from it."

Regarding the alleged pressure being exerted in the wake of the court ruling on the Letelier case, Brunner said that the government is calmly awaiting this ruling and, "as is obvious, will abide by the Constitution and the laws. It has not and never will exert any pressure on the courts."

He said that the government, through President Eduardo Frei, has expressed its hopes that with this case, which was excluded from the benefits of the amnesty law because of its seriousness, justice will be ensured, and that it will help the country take another step toward reconciliation.

Army Concerned Over Atmosphere Surrounding Letelier Case

PY0505143495 Santiago EL MERCURIO in Spanish 28 Apr 95 p C3

[FBIS Translated Text] War Under Secretary Jorge Burgos yesterday confirmed that the Army has expressed, through "the regular and appropriate channels," its concern over the political atmosphere generated by the upcoming ruling regarding the Letelier case.

During a news conference last night at the Diego Portales building, Burgos minimized the meetings held within the Army.

He said: "Yesterday's meeting was not suspended; it ended earlier then expected because there was no nothing left to discuss."

Burgos added that the meeting held by Army generals had been previously scheduled, and there was no reason for speculation, thus flatly rejecting versions that these meetings were a sign of unrest due to the political atmosphere generated by the Letelier case.

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When asked whether the Army had expressed any concern to the government about the subject, Burgos said it had.

Burgos said: "The atmosphere has obviously caused unrest. The Army has expressed, through the regular and appropriate channels, its concern over the various statements, but that has nothing to do with the real issue, that is, the court ruling."

Renewed Relations With Cuba Viewed

95CA0198A Santiago EL MERCURIO in Spanish 10 Apr 95 p C2

[Article by Claudia Baca]

[FBIS Translated Text] Havana—In the streets of the Cuban capital, its doors open to foreign investors, news of the restoration of diplomatic relations with Chile was well received, but it did not arouse great expectations.

The restoration of full diplomatic relations between Chile and Cuba was announced by the foreign ministers of the two countries last Friday, after a four-year period in which those relations were on a consular level.

During that period Chilean investors showed great interest in Cuba, and Chile's trade with Cuba now amounts to $15 million a year, of which $14.8 million consists of Chilean exports.

Chilean investments in the Caribbean island are in the $40 million range.

Chile had uninterrupted relations with Cuba until 13 August 1964, when the government of Jorge Alessandri decided to observe the agreement of the Ninth Meeting of Foreign Ministers in Washington and severed diplomatic ties.

Relations were resumed during Salvador Allende's government, until 14 September 1973.

Cubans

Wilson, a 53-year-old mechanic who was working yesterday in the garage at his house, repairing a Soviet Lada, said that he heard the news on the radio, and that he was "pleased," but he apprehensively cut short any further questions. "I know nothing about that. I am used to talking about machinery and tools," he said nervously, although he was not talking about anything compromising and he had nothing to hide, except that he was not living on the minimum wage he earns in the shop where he works, but on what he makes from his private customers.

At the doorway of the Saint John Lateran Church, Lucrecia Vasquez, 44, a business auditor, was coming down the steps with her Palm Sunday palm in hand. The mass had just ended, which on this occasion had filled to overflowing the capacity of the beautiful colonial-style building dating from the beginning of the century.

Lucrecia Vasquez sees things as a Catholic. "It is good to establish relations with everyone," she said. "We are all brothers and children of God."

In a park in the Vedado section, two law students were studying for examinations. They considered the questions they were asked with the attention of future attorneys, and answered carefully. Both said that raising diplomatic relations to the ambassadorial level, announced simultaneously in Havana and Santiago, is "very important."

One of the students, Sareky Baisauli, 22, had a Chilean friend in preparatory school, and the most important aspect to her was that full diplomatic representation would benefit "many exiled Chileans who stayed here" after leaving Chile during the regime of General Augusto Pinochet.

"It is a good thing that Cuba took in those Chileans," she said, and she believes that the new relations between Havana and Santiago will help to unite both countries more closely, "not only on the state level, but in relations between our people."

She does not believe, though, that the people "as people" will be the most interested in the improvement of relations between the two countries, making the distinction that in Chile it will be the private investor who will benefit, and in Cuba it will be the state.

"We cannot remain a closed economy," she said, emphasizing the need for Cuba to become a part of the world economy. "Dollars are what you need in order to buy in the world market."

Her friend Dayami, 23, is not a person to be content with little. She is more critical than her friend of the limited future that young people face in Cuba. "I love Cuba, but I want different conditions, so I can use my talents and fulfill my ambitions."

She has no doubt that the economic situation on the island is better since Fidel Castro's government, forced by the economic crisis, began to adopt market policies and to attract foreign capital.

"Things have improved since foreign currency was allowed here," she said, even though she complained that the high prices of basic goods make them available only to people who have relatives abroad or who are paid in dollars.

When asked if, as future attorneys, they believe there will be protections for foreign investors in Cuba, they

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do not hesitate a moment to answer that there will be, and they strongly reject the possibility that the government might even consider resorting again to the expropriations conducted during the first years of the revolution.

"Cuba cannot be judged on that," they explained. Both are specializing in business law and said, with a smile, that they expect to be able to work for companies that have foreign capital.

GRANMA, the official newspaper of the Communist Party in Cuba, is not published on Sundays. On Saturday it highlighted in a box with a broad red border the news of the restoration of diplomatic relations between the two countries.

There is such a paper shortage in Cuba that GRANMA is sometimes published with only two pages, and JUVENTUD REBELDE appears once a week.

The front page headline of the eight-page Saturday edition led with the report about Chile, followed by news about the conveyance of land for coffee and cacao production to 6,500 farmers in the mountains.

Jorge Perez, a 45-year-old doctor, earns the equivalent of $11 a month, which does not even cover the cost of gasoline. He does not care that Chile and Cuba are restoring diplomatic relations to the ambassadorial level.

"It does not matter to me one way or the other," he said, explaining that at first only the government will benefit, while professionals like himself are in a critical situation.

"It is good for the government, because it is interested in obtaining foreign currency," he pointed out. He said that the only reason foreign currency is being allowed in Cuba "is because there is no other remedy left."

Like the law students, he believes that Cuba "will treat the investors in a legal manner." He is pleased that the country is moving toward capitalism, "even though that is not being said," provided that health and education benefits are kept for the people.

Although he says he is a revolutionary but not a "Fidelist," he acknowledges that the former economic system "was a disaster," because Cuba had been living "on what the Soviets gave us."

Colombia

Valdivieso Denies Receiving Cartel Leaders' Demands

PA0705235495 Madrid EFE in Spanish 1818 GMT 7 May 95

[FBIS Translated Text] Santa Fe de Bogota, 7 May (EFE) — Colombian Prosecutor General Alfonso Valdivieso Sarmiento today denied having received a message with the Cali Cartel leaders' reported demands related to their surrender. "All procedures must be complied with through legal means. No communication of this nature has been received," he said.

According to the television newscast "TV Today," alleged Cali Cartel capos, brothers Miguel and Gilberto Rodriguez Orejuela, as well as Jose Santacruz Londono, have announced their intention to surrender to the authorities but on four conditions, which they regard as "essential."

In a document, apparently sent by Miguel Rodriguez and Santacruz and aired by the television newscast, the mafia leaders requested a cessation of "hostilities and persecution of their relatives." In the document, which the television station regarded as "a peace proposal," the capos ask that the process be carried out "with no dirty war" and that the public be kept well informed of it. In addition, they ask for the cessation of the "anxiety" created by the search operations constantly conducted in Cali for them.

Valdivieso Interviewed on Investigations

95CA0222A Santa Fe de Bogota EL TIEMPO in Spanish 30 Apr 95 p 18A

[Interview with Prosecutor General Alfonso Valdivieso; place and date not given]

[FBIS Translated Text] Still annoyed by what he unhesitatingly describes as "press speculation" regarding the potential list of another 40 congress members and countless individuals about to "be guillotined" by his office, Prosecutor General Alfonso Valdivieso Sarmiento is facing the most critical debate since he took office: What will happen if his charges against nine congress members are dropped in the Supreme Court?

"It is not fitting for me to enter the political debate (...). The country would be left without prosecutors if every investigation that was opened necessarily had to lead to a conviction." He makes this comment when asked about the voices raised demanding his head in the event of a failure.

Nevertheless, immediately thereafter, when discussing the subject of the investigation abroad associated with

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the start of operation "Clean Hands" in Colombia, he points out: "It is not just a few minibar tabs. The Prosecutor General's Office has sufficient evidence to have carried the investigation to the point where it stands now."

In an interview with EL TIEMPO, he also indicates that he will summon Santiago Medina to testify, comments on the case involving "La Mencha" [actress Margarita Rosa de Francisco], and calls for completing the encirclement of the drug traffic. He reiterates that the members of the Cali Cartel must take the first step if they really have the will to surrender to justice, confess their crimes, and serve their respective sentences.

[EL TIEMPO] Do you think that last week's decisions have been a major blow to the Cali Cartel?

[Valdivieso] To the drug traffickers. I believe that there are two groups of persons: some who must literally be called drug traffickers, and others receiving money from them as an award, who think that there is nothing improper about this. I am not referring to the people working for them: the caretaker, the lawyer, or the bodyguard.

No, I am referring to persons who appear to be receiving that money, we might say, without any clear justification. Why does a congressman receive it? Why do the people taking trips paid for by the traffickers accept them? Now, if it is proven that they are advisers, or are receiving fees from them, well, that is a different situation. But it would be a good thing to know that too.

[EL TIEMPO] What effect could it have on Colombian society if the Supreme Court were to end up acquitting and not punishing the congress members? Or is that just part of the justice system's job?

[Valdivieso] I don't preclude the possibility that acquittal may be what occurs in the 16 cases in which a formal investigation was opened; in the case of the persons who, of course, must be investigated by the Supreme Court; in the case of the Comptroller General, whose evidence was taken at my office by the prosecutors' unit for the Supreme Court; and in the other 23 cases involving persons for whom a preliminary investigation has been opened.

I consider it very important to us, from a judicial standpoint, that progress be made toward the delineation of criminal conduct.

However, it is also important to the society that the facts be proven, that it be proven that money from the drug traffic is going into people's hands. For the present, the actions that we have mentioned are presumed crimes involving persons serving as fronts and illicit amassment of wealth, in the case of individuals from whom unsworn statements will now be taken. And to take unsworn statements from them, warrants must be issued for their arrest, because these are crimes being investigated by the regional justice system. I trust that they will bring results.

[EL TIEMPO] Abroad, we observe recent events such as Colombia's entry into the "Clean Hands" process. Is it really that? Is it a process of that magnitude?

[Valdivieso] I would say that, if not the only one, it is really a first-time opportunity to get to the bottom of the phenomena of corruption which, frankly, have seriously harmed, if not destroyed, this society.

[EL TIEMPO] Is the investigative capacity of the Prosecutor General's Office and the Colombian State capable of meeting this challenge?

[Valdivieso] We shall never be able to feel sufficiently strong against the drug traffic. That has been characteristic, but I do believe that we have made considerable progress. Compared with the situation a decade ago, this is a good time for us. We are doing well, although not so well as we should to cope with such a challenge.

[EL TIEMPO] Through its lawyers, the Cali Cartel has made it known that it wants to surrender, but claims that the prosecutor is not allowing it....

[Valdivieso] I don't know which prosecutor that could be. In my own case, I have always declared that I have no option other than to obey the law and the regulations.

What is called the policy of surrender is at the disposal of those interested; but what is important is that they express their interest, and not send messages. They are the ones concerned. Their lawyers have sent, we might say, a few messages aimed more at exercising their functions as judicial agents than at expressing their clients' willingness to surrender to justice, to confess their crimes, and, of course, to receive their sentences.

[EL TIEMPO] Mr. Prosecutor, in all the searches made by the Cali Special Task Force, in connection with congress members, is there nothing other than what has been reported, or is it only in the case of these nine that the Prosecutor General's Office thinks that the existing documents constitute evidence? Are there no documents pertaining to the other 200 congress members?

[Valdivieso] No, no, there are indeed. In fact, one cannot preclude the possibility that other types of relationships might be discovered involving different persons. But what does not exist—although it has been speculated, unfortunately—is a list there that is about to guillotine another group of congress members.

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[EL TIEMPO] What has happened regarding certain documents in which names such as K. Becerra, R. Gonzalez, and A. Iragorri appear?

[Valdivieso] Insofar as I interpret it, the prosecutors' unit carrying out this work thinks that certain clarifications are lacking. We should not forget that, after these leaks, one of the news media was penalized with a judicial injunction, submitted by one of those persons presumably listed by his initials, who obtained it.

[EL TIEMPO] The public doesn't quite understand why Margarita Rosa de Francisco was put in the same category as the congress members and others. What was the intention of the Prosecutor General's Office?

[Valdivieso] I think that this has, unfortunately, given rise to misinterpretations. However, that was somewhat the assessment made by the prosecutors' unit. And I have no objection whatever to their judgment from the standpoint that, since preliminary investigations were involved, it was therefore proper to ask her about certain situations and certain facts, so as to establish what happened.

What should not be forgotten is that these situations involving circulation of money from the drug traffic prompted the appearance, some time ago, in Colombia, of an acrostic by the Niche salsa group which, as I understand it, referred to Jose Santacruz. And it is not good for the society to see that.

Now, as for her particular status and her particular situation, it also seems very important to me that we realize that we must continue completing the encirclement of the drug traffic in Colombian society, and that no type of person in Colombia can continue interfering without thereby incurring consequences.

It is possible that persons on a certain level, with a certain status, may in some way have additional obligations and greater responsibility toward the society. The Prosecutor General's Office is attempting to clarify some facts. She was at my office, specifically stating to me that she had probably misunderstood the way in which she appeared to be connected with the investigation. She said that, at the appropriate time, she would therefore be responsive to the position of the Prosecutor General's Office.

[EL TIEMPO] A question about a heated current issue: President Samper has just declared himself in favor of reopening the investigation of the "narco-cassettes." What does that tell you?

[Valdivieso] I am examining that petition, but I adhere to the judicial decision that must be made concerning what shows up in that investigation. The fact that the president has requested it does not hasten the determination. It cannot hasten it, because that would be unfair to Doctor Enrique Parejo, or Doctor Pastrana, or Senator Santofimio—because they, too, had requested it. Doctor Enrique Parejo requested it, and I agreed, unofficially, because, in any event, action could not be taken on his level of authority, since he had been neither an accuser nor a plaintiff. But it seemed to me that Doctor Parejo deserved that consideration, and I thought that the decision for a writ of prohibition should be maintained. Nevertheless, it is now my belief that, at the time when Doctor Parejo requested it, having opened the investigation would have led to the same thing: to a writ of prohibition. Of course, I admit that matters and situations have changed, and it is possible that the time may come when it should be reopened or completed....

[EL TIEMPO] It is now being said that Alberto Giraldo will surrender, and will talk; and there is the question of what Mr. Santiago Medina might say in his testimony. If you think that new evidence is starting to be collected, is it more feasible to reopen the investigation of the "narco-cassettes"?

[Valdivieso] Definitely yes. Furthermore, the prosecutors' committee has at its disposal all the evidential material from the Prosecutor General's Office that appeared in the so-called investigation of the "narco-cassettes." It is already known to them. They have conducted a review and an inspection of those case records, because they are materials from the Prosecutor General's Office itself.

The Prosecutor General's Office would even go so far as the Head of State.

Neither the Prosecutor General's Office nor the justice system can have limits; not by any means.

[EL TIEMPO] Has Santiago Medina been in contact with the Prosecutor General's Office?

[Valdivieso] Yes, in a letter he said that he was willing to give the required testimony, and he will be summoned within a few days.

[EL TIEMPO] Certain opinions have been published to the effect that, if this investigation opened by you has no conclusive results, and the Court ends up acquitting these congress members, you should resign. What is your opinion of that assertion?

[Valdivieso] Since that comment or view has been expressed very close to the political terrain, I cannot express an opinion. Now the truth is that I don't clearly understand the reasoning to the effect that the opening of an investigation must lead to a conviction, or else the prosecutor must resign; because then, we would be

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left without any prosecutors. Of course, one opens an investigation based on some probatory evidence that he deems appropriate; but the mere fact that persons must be heard, and documents and proof gathered, could lead to a different conclusion. The justice system has no reason to act with assurance of conviction, because that would be a violation of fundamental rights.

[EL TIEMPO] Upon hearing the congress members whose case records were submitted to the Supreme Court, one has the impression that it is all based on a hotel receipt. Is that an erroneous impression?

[Valdivieso] I believe that there are different types of situations, acts, and conduct, and that the issue is not confined to a minibar tab. The Prosecutor General's Office has sufficient evidence to have carried the investigation to the point where it stands now. But, furthermore, the law stipulates that the omission of an accusation is a crime; and we had to transfer that to the Supreme Court, and hold proceedings. Besides, this was not accomplished overnight.

[EL TIEMPO] Some see in the latest decisions of the Prosecutor General's Office an undertone of a political campaign. Is there anything of the sort?

[Valdivieso] No; that is the perfect formula for ruining everything that one is doing. I am truly doing my work with total dedication, and I have no intentions other than the performance of public duties at present. The country must have the assurance that the decisions of the Prosecutor General's Office are not a result of a witch hunt. We are attempting to establish the real facts in the legal process; this is the truth. I am not acting with any enthusiasm or joy. There are decisions that make one sad, because this is not the real situation that we Colombians would like.

[EL TIEMPO] Once you leave your position, will you return to the political fray?

[Valdivieso] Any future decision in the political arena should be kept confidential.

[EL TIEMPO] Does the Prosecutor have a poker hand up his sleeve?

[Valdivieso] None is needed to settle this....

Prosecutor's Office Examines Papers Seized by Search Bloc

PA0605013195 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 5 May 95

[Report by Marta Rojas from the "24 Hours Newscast"]

[FBIS Translated Text] By analyzing documents, account statements, and check stubs seized during an operation by the Cali Special Joint Command, the Prosecutor General's Office has been able to uncover several payments made by cartel members.

These include payments to Jose Felix Turbay Turbay worth 120 million pesos, (Gustavo Enrique Chahin Acosta) worth 100 million pesos, Salomon Camacho Mora worth 319 million pesos, and to Atlantic Coast police officers worth 126 million pesos. In addition, guerrilla members operating in the southern part of the Bolivar Department have also received payments amounting to 90 million pesos.

Meanwhile, the Prosecutor's Office has initiated an inquiry into a 200 million peso payment made to the Prosecutor General's Office to shelve a case launched one year ago involving cartel members.

The Prosecutor's Office also uncovered two undated checks worth 2 million and 5 million pesos issued to a Valle del Cauca congressman named Romero.

The documents, which are currently undergoing handwriting analysis, were seized during an operation aimed at capturing Julian Murcillo in an apartment near the National Development Projects Fund Building in central Santa Fe de Bogota.

Authorities: Banks Not Fighting Money Laundering

PA0605021095 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 5 May 95

[Report by Fanny Estela Pallares from the "24 Hours Newscast"]

[FBIS Translated Text] Poor, insufficient, and indifferent is how Justice Minister Nestor Humberto Martinez today characterized the cooperation banks are giving the authorities in their struggle against money laundering and drug trafficking operations.

[Begin Martinez recording] The information I have obtained from the Prosecutor General's Office indicates the state is not receiving such information. [end recording]

Meanwhile, the banking sector came to its own defense, saying this is not the time to launch attacks but, rather, to cooperate. Bankers Association President Cesar Gonzalez made the following statement:

[Begin Gonzalez recording] The justice minister may not have all of the information pertaining to the effort the financial sector as a whole has been making to implement adequate mechanisms to help combat money laundering. [end recording]

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Gonzalez also announced the creation of a working group that will seek to strengthen the mechanisms implemented by the Banking Superintendency, DIAN [National Customs and Tax Directorate], and the Prosecutor General's Office in pursuit of ill-gotten funds.

Pastrana Views Counternarcotics Effort, Peace Talks

PA0705133795 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 6 May 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] Former presidential candidate Andres Pastrana has spoken in Cartagena after a prolonged silence. Pastrana broke radically from his family to join the opposition against Samper. Former President Lopez also spoke about the conflict-ridden situation in the country during a meeting promoted by the World Bank.

[Begin recording] [Unidentified reporter] Here in Cartagena, former presidential candidate Andres Pastrana touched on several topics of national interest. He virtually applauded the work being done by the Prosecutor General's office and asked the guerrillas to be clearer about the peace process they want with the Samper administration.

[Pastrana] The country wants an in-depth study on drug trafficking, something Colombians have been focusing on for many years. Today, Prosecutor General Valdivieso is carrying out an in-depth investigation. For the good of the country, we hope it will be a clear investigation.

[Reporter] What was your reaction when people said that some members of the Pastrana family were lobbying against Colombia in the United States?

[Pastrana] That is despicable, and the country knows it. I, have recently been a victim of the violence that surrounds drug trafficking, so I can tell you. [end recording]

Former President Lopez Michelsen today asked the media to be more careful in reporting on drug trafficking because he said the case could lead to a Watergate, in which a president was overthrown. The liberal leader said that what Colombia faces today is not a declared killer, as was the case of Pablo Escobar Gaviria, but much more sophisticated organizations that are trying to tarnish everyone's image.

[Begin Lopez Michelsen recording] When drug trafficking does not depend on assassins but on astute, skillful men who own a lot of capital and can corrupt society, we will find that we are up against a much more serious problem. [end recording]

Ecuador

Political Party Demands Departure of U.S. Ambassador

PA0605194995 Madrid EFE in Spanish 1753 GMT 6 May 95

[FBIS Translated Text] Quito, 6 May (EFE) — The Ecuadoran political party Democratic People's Movement (MPD) today demanded the departure of U.S. Ambassador Peter Romero for the "position" he adopted during the armed conflict between Ecuador and Peru over a border dispute.

In statements made to Guayaquil's daily newspaper EXPRESO, MPD National Director Luis Almeida demanded that Romero "leave" the Andean country for having "sided against Ecuador during the conflict with Peru" and for having belittled a national symbol such as Tiwinza, calling it "a little place."

Romero said two weeks ago that the guarantor country observers, who are watching over the border in compliance with agreements reached between Ecuador and Peru, would not attend any "ceremonies in little places," in response to the Quito government's insistence that the international military observers be present at the Tiwinza garrisons to witness the troop withdrawal.

Argentina, Brazil, Chile and the United States are guarantors of the 1942 Rio De Janeiro Protocol, which established the border between Ecuador and Peru. They are also the guarantors of the Itamaraty (the official seat of the Brazilian Foreign Ministry) peace agreements, signed on 17 February of this year and ratified on 1 March through the Declaration of Montevideo.

The Ecuadoran army withdrew its troops from its garrisons in Tiwinza, which is located in an area that both Quito and Lima claim to be theirs. The withdrawal was witnessed by local and foreign reporters but not by the guarantor country observers.

Ecuador and Peru were engaged in heavy fighting between 26 January and 20 February of this year along a 70-km section of the border at the edge of the Amazon Jungle, which has been unmarked since 1942.

Almeida, who also accused Romero of "interfering in the internal political affairs of his country," said that these reasons "were sufficient to demand that the ambassador leave Ecuador immediately."

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Government Minister on Continued State of Emergency

PA0705041495 Quito Voz de los Andes in Spanish 2300 GMT 5 May 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] Government Minister Abraham Romero announced that the government will lift the state of emergency once the Ecuadoran-Peruvian border area demobilization process is completed.

He was replying to the president of the Court of Constitutional Guarantees, who was of the opinion that the state of emergency should be lifted. Romero said that lifting the state of emergency could not be the decision of a single person, but instead the decision of the court's plenum. He warned that if the court's decision did not follow the law or went against reality, the government is empowered to appeal the decision.

He said that if one takes into account statements by Peruvian President Alberto Fujimori, it would seem unwise to lift the state of emergency, as the Court of Constitutional Guarantees has suggested or demanded.

The minister stresses that the country is in a state of emergency due to the unwarranted Peruvian attack and not for political reasons. Regarding human rights, Minister Abraham Romero stated that the Foreign Ministry and the Red Cross have intervened to show that the Peruvian versions on human rights violations are false. It is the Peruvians who have arrested two Ecuadorans under false accusations.

Commerce Minister on Opening Border With Peru, EU Talks

PA0905013195 Quito Voz de los Andes in Spanish 1700 GMT 8 May 95

[Report by Edwin Chamorro, from the "The Voz Andes Newscast"]

[FBIS Translated Text] Jose Vicente Maldonado, minister for industries, commerce, integration, and fishing, has announced that the border between Ecuador and Peru has not yet been opened to trade between the two countries after it was closed because of the armed conflict. He also said that the opening of the border depends on the demilitarization and demobilization, particularly on the part of Peru. Finally, he mentioned a trip he will make to Brussels tomorrow to meet with European Community officials.

[Begin recording] [Maldonado] No progress has been made during these days. There has been no further rapprochement with Peru.

[Unidentified reporter] Has our country taken the initiative?

[Maldonado] It is our country that took the initiative. Not only did I go to Lima to present our position, but our Foreign Ministry presented it to the guarantor countries as well. They are interested in endorsing in the next few weeks a scheme that could be agreed on by the two countries, this is to say, demobilization at the border area.

[Reporter] What about the possibility of reopening the border?

[Madonado] Ecuador is willing to reopen the border to trade immediately on condition that the military forces are withdrawn from this area.

[Reporter] What about your trip to Europe?

[Maldonado] Working meetings by the new European Community authorities have been planned to discuss the still existing problem of tuna fishing in our territorial waters and the export of our tuna to Europe. Due to Europe's objections to certificates of origin on earlier occasions, the new authorities are working on a report that includes charging of a so-called tuna tax. These are the activities related to my trip to Europe. In addition, this year, the European Union will make a final decision regarding the extension of tariff preferences. For this reason, it is essential that we make known to Europe the reality of our exports and investments, as well as the importance for us, as Andean countries, of preserving the validity of these preferences, which should be extended at least seven years as the commission's report suggested. [end recording]

Maldonado said that he agrees with an Ecuadoran producer's proposal to create a foreign trade institute or a new ministry to stimulate Ecuadoran exports.

State Communications Secretariat Calls for Political Unity

PA0605225095 Quito Voz de los Andes in Spanish 2300 GMT 5 May 95

[Note issued by the Ecuadoran State Communications National Secretariat; date not given; from "The Voz Andes Newscast"]

[FBIS Translated Text] Ecuadorans seem to be determined to lose the great unity achieved following the Peruvian attack in January. All sectors agree that this unity should be maintained because although the violence has stopped, Ecuador must still face a more difficult stage: the negotiations to close the border with its unpredictable neighbor to the south. Recent statements or actions that undermine this unity cannot be viewed

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differently from what they are: new ammunition to fuel Peru's permanent misinformation campaign. This campaign has yielded Peru many good results in the past and is still being launched with the sole objective of forging an erroneous and false general view at home and abroad.

Lima's OIGA magazine in its 17 April issue maintained that President Sixto Duran-Ballen was experiencing popularity problems because of what the Peruvian media considered to be an alleged popular reaction in light of a probable official insistence to implement the liberal formulas imposed by the IMF, which by the way were implemented in Peru. As part of this, OIGA argued that the residents of Huaquillas, on the southern border, are trying to adopt harsh measures against the government. OIGA also made the incomprehensible argument that the Ecuadoran soldiers do not want the industries they control to be privatized, and this is why they are exerting pressure on the peace process with Peru.

As evinced, the Peruvian mass media, whose close links with the government have never been denied, confuses a series of topics, turns them around, manipulates them and at the end, concludes that Ecuador must forget its long-lasting aspiration to have direct and sovereign access to the Amazon area.

History repeats itself and from what we have seen recently, the Peruvian media will soon have new ammunition at its disposal to continue with its disinformation campaign in light of recent statements being made in the country against some aspects of the demobilization process.

Some leaders should try to follow the attitude displayed by Congress President Heinz Moeller. Upon returning from China, Moeller calmly said that he would ask for explanations regarding the demobilization from Tiwinza and Base Sur. After he obtained the information, he stated his agreement with the adopted procedure and never brought up the subject again, as any honorable man would have done. This stand is different from that adopted by other leaders who, upon returning home after spending several weeks abroad, overwhelm others with their interpretations of an action they deem was poorly executed without gathering the necessary information and thus, causing an uproar that will only benefit Peru.

No one disagrees that other permanent issues of national interest should be dealt with in the broadest possible fashion, with the greatest possible attention, and that all the options to reach the solutions that most benefit the national interest should be publicly discussed. However, the border issue and the problems with Peru must be discussed carefully, measuring every word said or omitted, and obtaining all the available information from the sources directly involved. Only when this is done, and perhaps after a long consideration, should any public statement be made.

Any other way to face this situation would be irresponsible. The border issue cannot be the means for some people, who seem to be amateur politicians regardless of their previous high-ranking positions, to show off as [words indistinct] to earn more attention among potential voters or their sympathizers, according to the note.

It is very easy to criticize the way something is done and make public accusations that later turn out to be groundless. All of this is quite easy, and those pseudopoliticians have been accustomed to these practices and not even now that the interests of the motherland are at stake have these people changed their conduct.

It would be much nicer to see these [word indistinct] politicians trying to reestablish contacts at the top level, such as those established during the most difficult moments of the Peruvian aggression, and after they have gathered all the available information and understood the problem, and see them display, at home and abroad, the attitude of solidarity and unity required by the current situation, the note states.

Central Bank Manager Outlines Economic Challenges

95SM0316A Guayaquil EL UNIVERSO "SUNDAY" SECTION in Spanish 30 Apr 95 p 2

[Interview with manager of the Central Bank, Augusto de la Torre; place and date not given: "The Economy Will Stay on Course"]

[FBIS Translated Text] The great challenge that the government faces in the period prior to the 1996 elections is to break the political cycle of the past 15 years, when at the end of each administration the economy breaks down, and the search for stabilization starts from scratch, seeking stabilization with new corrections that affect the worst off.

The manager of the Central Bank, Augusto de la Torre, believes that this is the greatest challenge that the authorities face, after the Ecuadoran economy emerged strengthened from the war with Peru.

Seek Stability

"The decision is aimed at bringing the economy in a stable condition to the new government without interruptions," de la Torre explained in rendering a balance sheet of the economy, in which he said it was not only important to coordinate the government's monetary-exchange rate policy with fiscal policy, but basically with the government's internal policy as well, with the knowledge

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that an election is approaching which will cause a total turnover of government authorities in Congress and in the sectional and municipal governments.

The message that the Duran-Ballen - Dahik government wants to send is that it takes the future of Ecuador seriously and therefore is looking at problems, to avoid Ecuador being "inaugurated" every four years. It even wants to anticipate events by eliminating a fiscal deficit that does not exist, but "could happen if timely measures are not taken."

De la Torre spoke with EL UNIVERSO on this fundamental issue, which includes a view of the current state of the economy, for which he foresaw growth of more than three percent, excluded a sustained drop in interest rates, and predicted an increase in foreign investment, especially in hydrocarbons.

[EL UNIVERSO] What is your perception of the country's current economic situation?

[de la Torre] The economy shows signs of consolidating a process of stabilization, of being a qualitatively stronger economy and able to have absorbed the effects of the war in good form, without experiencing financial problems. It seems more robust, it can tolerate shocks, and in fact it has withstood very low petroleum prices, I would say among the lowest since the 1980s. It has tolerated problems entering the European markets because of the banana quotas, withstood problems of larvae in shrimp; it even withstood a temporary barrier to the export of flowers, and basically withstood the effects of the war. In the midst of all this, it showed such signs as good growth of credit, stability in foreign exchange markets, and a continuing inflow of foreign savings; the balance of payments remains strong, inflation continues to trend downward, and we expect growth of three percent for this year. In sum, we have a qualitatively stronger economy than we had in the past.

[EL UNIVERSO] But the greatest problem is high interest rates. What do you think?

[de la Torre] There is a big improvement, because we already see a clear tendency to decrease to a more reasonable level; first, the interbank interest rate has been stable at 30 percent for five weeks. There has been an important drop for three consecutive weeks in the 90-day active and passive interest rates. It is already evident that the passive rates are less than 40 percent and active rates close to 50 percent, which is 20 points below the levels they had reached following the war. Although the process has been slow and gradual, which is good, the trend is very clear, and one sees a reestablishment of normal levels in interest rates.

[EL UNIVERSO] To what are these results due?

[de la Torre] They are due to a decrease in uncertainty, once a ceasefire was reached and the Itamaraty accord was negotiated—which caused, in the first place, a drop in interest rates, and in the second place, and this is important, adequate liquidity levels to be reestablished in the financial markets: The deposits have returned, and this provides the basis for the reestablishment of normal credit.

[EL UNIVERSO] Nevertheless, there is a contraction in credit. What is your view?

[de la Torre] From the point of view of credit, I believe growth is going to be slower, it is going to decelerate with respect to 1994, which saw extraordinary growth in credit. But we are not expecting a contraction, but rather lesser growth from the point of view of availability.

As for access to foreign savings, for this year there is good, direct foreign investment in petroleum, almost as important or more important than in 1994, when investment reached about $500 million. And the problem of lack of confidence in investing money in the country is not noticeable. The "tequila effect" has not affected us significantly.

[EL UNIVERSO] The rise of interest rates in the United States is also a factor. How does it affect us?

[de la Torre] The effect would be a decrease in capital entering this country. It would not cause flight. Important capital has been entering Ecuador for two and a half years, and we have reversed the past tendency toward capital flight. That no longer happens. Also, it could affect that part of the foreign debt that has floating interest rates, but one of the advantages of the Brady agreement is that an important part of the debt is now in low, fixed rates.

[EL UNIVERSO] You said earlier that the economy withstood all of the contingencies it faced, even the war. Will it also be able to withstand the effects of the coming election?

[de la Torre] This is the greatest challenge, not only to achieve economic strength, but also to assure continuity in this economic situation, and that means breaking the political cycle that has afflicted us for the past 15 years. A political cycle during which, at the end of an administration, the economy collapses, and the new government has to begin stabilization programs.

[EL UNIVERSO] This means that in addition to coordinating monetary-exchange rate policy with fiscal policy, it also has to be coordinated with internal policy. What is your view?

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[de la Torre] That is up to the political side. Our role as monetary authorities is to produce the technical information and analyses that show the road to be taken, and to inform the political sector of the social benefits to be obtained by following a macroeconomic policy as opposed to the social costs of that policy being scrapped. This is why I am pleased that the minister of finance and his new team have proposed the objective of preserving stability and maintaining fiscal discipline, which so far has been maintained, and of carrying this forward to the end of this administration. That is, conclude this government with a stable economy and public finances in good condition.

That is up to the political side. Our role..[This paragraph repeats verbatim the previous one.]...in good condition.

Avoid a Fiscal Deficit

The manager of the Central Bank said that the fiscal deficit that is being talked about does not exist, but that the government is trying to avoid such a deficit from appearing at the end of the year.

He stressed that this is the reason for a series of alternatives, designed to avoid the creation of a deficit that, according to Finance Minister Mauricio Pinto, would equal three percent of gross domestic product [GDP].

De la Torre specified that each point of GDP equals 460 billion sucres, which means that the potential deficit would be 1.3 trillion sucres.

[EL UNIVERSO] What are the alternatives to avoiding the deficit?

[de la Torre] We have had a frank dialogue with the leaders of Congress. We had an earlier four-hour meeting, in which the legislators asked many questions. In that meeting I saw the determination of Congress to move ahead with the program for technical improvements, which is being completed, in order to report it out as soon as possible. In addition, we are having continual meetings to clarify budgeted items for 682 billion sucres, trying to get Congress to cut spending by that amount, which is not covered by revenues. We even proposed that amounts that are financed (250 billion sucres) be reallocated to cover the costs of the war. It is a complicated subject. What is happening is that conversations and discussions are continuing, and we are going to further explain the proposed exemptions to the VAT [Value Added Tax], until it is ready to send to Congress.

[EL UNIVERSO] The passage of the VAT in Congress would be conditional on the government financing the entire gap of 682 billion sucres?

[de la Torre] It is a question of political strategy. Congress wants to see the cut in spending globally,the elimination of a good part of the VAT exemptions, and the technical improvements that establish the requirement to present invoices for services and to sanction those who do not.

[EL UNIVERSO] The idea of requiring invoices will also involve professionals?

[de la Torre] Of course, but it depends on whether Congress approves the idea of eliminating exemptions to the VAT in providing services.

Electoral Law Reform Package Explained

95SM0299A Guayaquil EL UNIVERSO in Spanish 17 Apr 95 p 14

[Received via Internet]

[FBIS Translated Text] Quito, 17 April—The 15 recognized political parties will find that 1996 is a defining year. Their destiny, their membership, and their future will certainly change under the constitutional reforms affecting the election system.

The Supreme Electoral Tribunal (TSE) will submit to the National Congress a draft bill to reform the election law for analysis, study, and discussion.

Camilo Ponce Gangotena, president of the TSE, has stated: "The package of reforms must be adapted to the changes made in the national constitution regarding the political rights and obligations of citizens."

The texts of the reforms to be considered by Congress are, among other things, as follows:

Article 30 of the constitution will state: "The Provincial Electoral Tribunals will be made up of the members of the committees in charge of polling places, in addition to the students of the last three classes to be graduated from secondary schools, provided that these persons are of age or are 18 years old by the day before the elections. If enough persons are not available to make up these tribunals, the tribunals themselves will appoint citizens of demonstrated experience and suitability. The committees in charge of polling places will be appointed 60 days before the elections."

Article 55 will be completely replaced with the following: "Independent citizens will be able to be candidates for the different positions elected by the people. They do not need to be members of any political party, provided that they meet the other requirements provided for in Article 47 of this law and provided that they are supported by the signatures of independent voters,

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amounting to five percent of the last national, provincial, or cantonal census list, depending on the case.

"The Supreme Electoral Tribunal will check the authenticity of the identity card numbers of voters who support the candidacies of independent persons who wish to run for office. If it is o73 found that these identity card numbers have been falsified or relate to other persons or to persons who have died or do not exist, the Supreme or Provincial Tribunal will reject the candidate or list of independent candidates, without prejudice to referring the case to a criminal court judge to initiate an investigation of a charge for the crime committed."

The following paragraph will be added to Article 59: "On electoral ballots on which independent candidates should be listed, these candidates will be designated by a letter of the Spanish alphabet or with the number of the movement of independent candidates. They will be listed following the candidates of political parties, in the order in which such candidates or lists of candidates are presented."

Article 145 of the constitution will state as follows: "Candidates who file for reelection to the various positions chosen by popular vote will not be required to resign from the positions which they hold at the time of the elections."

Paraguay

President To Temporarily Replace Central Bank Directors

PY0605033895 Asuncion ABC COLOR in Spanish 5 May 95 p 3

[FBIS Translated Excerpt] President Juan Carlos Wasmosy on 4 May decided to change for the time being the board of directors of the Paraguayan Central Bank (BCP). He has obtained the approval of senators and deputies of the various political parties in order to make the change.

In this respect, Wasmosy has accepted the request for a temporary leave of absence sought by the bank's board of directors until the case of the 7.870 billion guaranies that is missing from the vaults is fully cleared up.

This was reported by Finance Minister Orlando Bareiro and Senator Rodrigo Campos Cervera, of the PLRA [Authentic Radical Liberal Party], after a meeting held last night at the presidential residence, Mburuvicha Roga, which is located on Mariscal Lopez Avenue.

According to Campos Cervera, senators and deputies of all the political sectors approved the president's decision. Interior Minister Carlos Podesta; the executive branch's economic adviser, Carlos Mersan Galli; and other personalities from the political and public administration spheres also participated in the meeting.

Both Bareiro and Campos Cervera stated that the meeting did not include discussion of names of possible candidates to temporarily replace the BCP's board of directors, who are under suspicion for having presumably committed the crime of embezzlement. [passage omitted]

The finance minister indicated that the selection of the candidates could take days. Meanwhile, the current directors will remain in their posts. [passage omitted]

Peru

JNE Reorganization Seeks To Dismiss Corrupt Officials

PY0805161695 Lima LA REPUBLICA in Spanish 28 Apr 95 p 11

[FBIS Translated Excerpt] The National Election Board [JNE] decided yesterday to fully reorganize itself in the wake of the serious accusations concerning the disappearance of 37,000 electoral records, which has tarnished the JNE's image.

To carry out this reorganization, the JNE plenum asked the executive branch to approve a law that will allow it to eliminate surplus personnel and all those who do not deserve the confidence of the plenum as a result of having carried out actions that undermined the image of the electoral organization.

Although JNE President Ricardo Nugent said the reorganization was agreed upon previously, he admitted that he will take advantage of the opportunity to eliminate those who do not behave according to their higher responsibilities.

At this moment, approximately a dozen JNE members are in custody or under investigation by the prosecutor's office for having committed crimes.

In his statement, Nugent also tried to minimize the decision by Santiago Murray, president of the OAS observers delegation, to leave the final report on the elections pending.

When a reporter asked him about Murray's decision, he said: I believe it is a good idea to wait for the results of the investigations by the prosecutor's office.

He asked: Who is worried? This will become very clear when the special prosecutor submits the report. Up to this point, opinion has been running in favor of the electoral process. [passage omitted]

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Congress Approves Trial Against Ex-President

PY0505214395 Madrid EFE in Spanish 1926 GMT 28 Apr 95

[FBIS Translated Excerpt] Lima, 28 Apr (EFE) — The Peruvian Congress today decided unanimously to try ex-President Alan Garcia for receiving bribes for choosing an Italian consortium to construct an electric train line in Lima.

The 79 members of the unicameral Congress who attended the session approved the trial request submitted last week by the Auditing Committee after two days of debate.

The committee charges Garcia with criminal involvement in "bribes, the use of privileged information for personal gain, and complicity."

The others charged with Garcia, ex-Foreign Minister Luis Gonzalez Posada, and Javier Tantaleon, former director of the National Planning Institute, were freed by the congressional majority because the process in their cases was not appropriate. [passage omitted]

Perez de Cuellar Denounces Trial of Retired Generals

PY0505222095 Madrid EFE in Spanish 1552 GMT 30 Apr 95

[FBIS Translated Excerpt] Lima, 30 Apr (EFE) — Former UN Secretary General Javier Perez de Cuellar has reported the Peruvian Government before the Inter-American Human Rights Commission (CIDH) for trying two retired generals who cooperated with his political campaign.

This was announced today by Perez de Cuellar, a presidential candidate in the 9 April general elections that were won by President Alberto Fujimori. He said: "The trial must be stopped immediately to protect the life, physical integrity, and freedom" of retired Generals Walter Ledesma and Carlos Mauricio.

Ledesma and Mauricio have been processed by the Supreme Court of Military Justice for publicly criticizing the high military command in the management of the recent military conflict with Ecuador. [passage omitted]

Editorial Calls Generals' Arrest 'Stalinist'

95SM0320A Lima CARETAS in Spanish 27 Apr 95

[Editorial: "Why and What For?"; received via Internet]

[FBIS Translated Text] When a government official wins reelection with 64 percent of the votes, he generally implements his desire to calm the political atmosphere, to reduce the level of rancor engendered by the election, and to seek the collaboration, even if only partial, of the opposition sectors that could contribute information in certain areas. Having majority support in the congress upon which to rely—a majority that is, of course, the product of a very low electoral turnout—does not guarantee the easy resolution of all of the problems. Wisely, in this situation of democratic regeneration, we'll seek to bring heads together for consultation instead of confrontation. A magnanimous attitude in triumph and conciliatory gestures do no one any harm and do any country good.

However, both of these things are notable for their absence at present, and what is becoming clear seems to point to the decapitation of both drivers and pedestrians.

Already the initial agenda of this legislature suggests religious dramas rather than neighborhood celebrations. It seems that this electric train can not be set in motion without putting at least one representative of the APRA [American Popular Revolutionary Alliance] in the electric chair. This must be what the market studies indicate.

And then the torturous trials of retired military officers for the criticisms voiced concerning the conflict with Ecuador has begun. Does this make any sense? Does imprisoning General Walter Ledesma and prosecuting General Carlos Mauricio—both having been on the opposition side in the electoral contest—achieve any useful end?

Fujimori's second term of office has not yet begun, and yet the prestige of his renewed legitimacy is incomprehensibly already being squandered.

In the United States, where the "Pentagon papers" were published during the war in Vietnam, and where the criticisms have lasted until the present day, with the recent autobiography of former Secretary of Defense Robert McNamara—the process that is under way here must seem not only abuse, but also grotesque and primitive.

Is the man who is virtually president behind this campaign, or is this another maneuver designed to alleviate internal irritation?

And what can be said about the denial that General Vladimiro Lopez Trigoso had to sign? Is it or is it not reminiscent of the confession the Cuban poet Heberto Padilla was forced to make? Moreover, it contains threats. Stalinist echoes in the midst of the neoliberal paradise. Fresh from a cold bath, calm of mind and body, we ask ourselves: Why? for what purpose?

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Generals' Arrests Seen as 'Coverup' for Conflict Outcome

95SM0320B Lima CARETAS in Spanish 27 Apr 95

[Commentary by Fernando Rospigliosi: "Total Offensive"; received via Internet]

[FBIS Translated Text] If Admiral Miguel Grau were alive, the Higher Court of Military Justice [CSJM] would have put him in prison. In fact, one of the most serious accusations made against General Walter Ledesma (Ret), who is now under arrest, by Raul Talledo, the military prosecutor, is that he "exaggerated the alleged virtues of the Ecuadoran General Paco Moncayo," thus damaging the morale and discipline of our troops.

Admiral Grau, as is known, exaggerated the virtues of the Chilean naval officer Arturo Prat, who was killed as he attempted to board the Huascar during the battle of Iquique. "Your worthy and courageous husband," Grau wrote to Prat's widow on 2 June 1879, "was (...) the victim of his own bold venture in defense and to the glory of the flag of the fatherland." The chief of the General Staff of the Army of the South, Antonio Benavides, also said in his communication that the Chilean crew of the Esmeralda "died heroically."

In reality, it is not only that the present commanders of the FFAA [Armed Forces] have become alienated from the Peruvian military traditions of honor and chivalry. It is simply that they are seeking a pretext for prosecuting and imprisoning General Ledesma. Because when he discussed the character of the Ecuadorian Moncayo, it was not to exaggerate virtues, but to develop what, in military jargon, is called biographical intelligence, one of the basic elements in dealing with an enemy.

—The problem is that the arguments used as a pretext for trying Ledesma lack any juridical or logical basis. It is clearly a matter of political reprisal. The same is the case with regard to General Carlos Mauricio (Ret), who is being prosecuted for similar reasons.

—One of the obvious reasons is that Mauricio and Ledesma contributed to the campaign of Javier Perez de Cuellar, the leading opposition candidate.

—The other reason for the persecution launched against them by Fujimori and the military commanders is the effort to cast a permanent mantle of silence over the conflict with Ecuador in order to conceal the responsibility borne by Fujimori, Hermoza Rios, Perez Documet, and Vladimiro Montesinos for the military disaster.

Their hope is that with the retired military officers silenced, the only voice to be heard will be that of the government, to which, in amplified form, we will again be exposed at the Pentagonito ceremony on 2 May.

This is of vital importance to them, because is the surrender of the Ecuadoran bases in Peruvian territory is occurring now. The Ecuadoran military forces are withdrawing from South Base and Tihuinza, the exact coordinates and location of which the Ecuadorians themselves revealed early in February, with representatives of the international press present.

Neither Fujimori nor Hermoza wants the people to learn about what is happening in Alto Cenepa at this time. In particular, they do not want it known that the Ecuadorians are leaving a civilian population in Peruvian territory, in order subsequently to reclaim this portion of the Condor Mountain Range. This was stated last Saturday by Victor Bayas, the chief of the Ecuadoran Joint Command, who says that nothing in the "Brazil treaty" prohibits this.

As we said in this column on 23 February, this was, in reality, foreseeable. "What would happen if the Ecuadoran military forces surrendered a base in Peruvian territory to the guarantors, but left civilian authorities there? The Brasilia agreement does not prohibit this, and it would give them a foothold with a view to reclaiming this territory later."

In short, Fujimori, Hermoza, and Montesinos are particularly interested nowadays in concealing the failure with regard to Ecuador. Above all, they want to maintain silence because of their fear of discontent in the military institutions. For they can attempt to deceive the public, but not the FFAA. All of those in the military know that we were defeated, and they know who was responsible.

What has been done with General Vladimiro Lopez Trigoso is a part of the same synchronized maneuver. By forcing him, in Stalinist fashion, to deny that he said what he said, they are warning the military personnel on active duty and in retirement that they are capable of making anyone change his mind.

But the campaign has another target as well, and that is CARETAS. The pretext for prosecuting Ledesma was an interview he gave this weekly periodical. In the letter they forced Lopez Trigoso to sign, CARETAS is accused of having devised the letter attributed by this weekly periodical to "an officer of high rank," and they threatened "those responsible for this deceitful deed" with punishment.

All of the above coincides in time with the court and police summonses issued to a half a dozen CARETAS journalists, requiring that they appear to answer absurd court charges filed by convicts and persons with criminal records.

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In short, we are faced with a campaign all along the line designed to muffle the discontent in the military and to force an independent press organ into silence.

Those who believed that we would have a democratic springtime were wrong in their calculations. That is not the style of Fujimori and Montesinos, who want to take advantage of their electoral triumph to "clear the field." They are confident that under these circumstances, no one will worry if a weekly periodical and a few disputatious military officers are crushed.

We hope that they are mistaken, and that the national and international reaction will force them to retreat.

Commentator: Canceled Votes 'Favor' Fujimori

95SM0320C (Internet) Peru DESCO Gopher in Spanish 27 Apr 95

[From Resumen Semanal 19-25 Apr]

[FBIS Translated Text]

There Was No Landslide'

Commenting on these facts, Mirko Lauer: "Now that the snippets and sound bits on the TV screens are a thing of the past, Fujimori's victory is shrinking to its true dimensions—38.6 percent of the eligible voters in Peru cast their votes for him. This vote was very much like the one the Fujimori movement won in the CCD [Democratic Constituent Congress] elections in 1992. After all that effort, then, there is no national majority supporting Fujimori. What we have in the Congress is a government parliamentary majority based on 18.4 percent of the national electorate. These figures do not indicate a popular majority in favor of the policies of the government, but rather the contrary. And this is the foundation on which Fujimori wants to decree a new political system of "direct democracy," without political parties. The truth is that he will have to nurture these parties, because he cannot do without them if he wants to impose the desired image of an absolute winner. Because a truly "direct" calculation reveals that the number of votes for him as president in 1995 is lower than the total won by Alan Garcia in 1985, and lower than his own total in 1990. There is a clear danger for the government that the 9 April triumph was an anticlimax. Not only was there no landslide, as there appeared to so many of us to be initially, but there are legitimacy problems in the Congress, as well. And now the daily problem of maintaining the popularity of the government at acceptable levels returns. To achieve this, Fujimori must begin to deal seriously with a democratic system, without fascist-like proposals such as direct democracy." (LA REPUBLICA 21 Apr 95)

'More Than Suspect Arithmetic'

In another article, Mirko Lauer wrote: "The JNE [National Election Board] finds itself in a difficult predicament. Either it will admit its error as the pedagogical guide and organizer of the last parliamentary election and proceed to review the records, or it will admit nothing, approving a parliamentary election based on arithmetic that is more than suspect. In one case, the board members appear to be a team of incompetents. In the other, they come off as a team in the service of the government. For the leaders in the opposition, the essence of the matter is that the error made by the JNE, which made the invalidation of at least a third of the votes for the congressional seats a necessity, benefited the NM-C90 [New Majority-Change 90] slate, and that is the main explanation for its unexpected majority. A correction here would mean challenging the government, something this JNE has never really wanted to do. The electoral results favored the NM-C90 in two ways. The massive invalidation of votes reduced the total number of voters on the basis of which the government party won its majority. And in many of the election reports that were not invalidated, there were duplications or triplications, but they came to no more than 200 votes. But whether or not it favored the NM-C90, the spectacular error made last 9 April must be clarified, explained, and corrected by the JNE." (LA REPUBLICA 19 Apr 95)

Aid to Communities, Industry's Support for Fujimori Noted

95SM0230D Peru DESCO Gopher in Spanish 27 Apr 95

[From Resumen Semanal 19-25 Apr]

[FBIS Translated Text]

Support of the Municipalities

On 20 April in Cuzco, president Fujimori reiterated his government's promise to support all of the municipalities in the country in the construction of projects to benefit the communities. The chief of state cited as an example the transfer of resources to the Yauri District Council, which has received an allocation of 160,000 soles per month for the execution of projects of an urgent nature. However, he emphasized that the sums being transferred by the government to the municipalities are exclusively for the promotion of enduring projects needed by the communities, and "not for white elephants that benefit no one," as in the past. In addition, he confirmed his decision to support the creation of a superintendency of municipalities, although he did not specify how soon the executive branch will send such a proposal to the parliament. The chief executive also inaugurated

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a series of development projects in districts in the Cuzco provinces of Espinar and Quispicanchis. (Most dailies 21 Apr 95)

Confiep Pledges Total Support

Peruvian businessmen affiliated with the Confiep [National Confederation of Private Business] have expressed their total support of President Fujimori's administration. Arturo Woodman, the president of the Confiep, said he had no doubt that businessmen will continue to support Fujimori during his second term of office, but in this instance, with the view to increasing the GDP [gross domestic product], investments in agriculture, and the creation of jobs for the coming five-year period. Woodman said that an effort will thus be made, through the promotion of exports, to create two million new jobs, to raise the GDP up to 40 percent, to bring the trade balance into equilibrium, and to eliminate the antitechnical taxes. On the other hand, the businessmen have asked the government to allow Jorge Camet to continue as minister of economy, because any change would work against continuity in the present economic program. This statement was made by Juan Antonio Aguirre Roca, the president of the Pension Funds Association, who called Minister Camet's administration "a successful effort." (EL MUNDO 21 Apr 95)

A New Democratic Style'

In an interview granted to the daily newspaper EL MUNDO, President Fujimori said "I interpret this election to mean that the people want this model of work to continue. And this presumes achieving goals. The social goal is the greatest possible well-being for the people. In order to achieve this, it is necessary to continue to advance, one step at a time. Now we are in a phase of economic growth, and we expect to maintain it." He said that "this is a new style of democracy, of government, in which the aspirations of the people are not communicated through intermediaries. We speak frankly. Those who were in the parliament before were nothing but negotiators. Well then, the negotiators now are representatives of the people, instead, and in many cases no negotiation is required, because the state is making its presence felt. This is a democracy in which the intermediaries, the political parties, are eliminated. And this is a more direct style of government, with less talk, less philosophy, but more pragmatism and more solutions. That is the difference. Expectations will be channeled through the executive branch, which is the branch that implements actions. The legislative branch promulgates laws and supervises through its representatives, who are not party-oriented. They have absolutely no partisan commitment to any one, except to the country." (LA REPUBLICA, EL MUNDO 20 Apr 95)

'Support Befitting the Model'

President Fujimori said the following in the second portion of the interview he granted to EL MUNDO (20 Apr 95): "On 28 July in the year 2000, I depart." He also said: "The construction of classrooms and schools has had an excellent psychological impact on the people, leading them to identify with the concept of modernization. If you tell the people that the modernization of education involves training 50,000 teachers per year, which we are doing; if you tell them that it involves curriculum reform, which has already been carried out in the first and second years, they cannot see these things, and as a result they do not support them. However, if along with this, the people are provided with a symbol—that is the infrastructure, which is basic to all the rest of the activities—then an atmosphere of enthusiasm, like that we see daily at the school inaugurations at which I preside, develops. At the present time, we have a homogeneous social fabric, which is different and surprising on an international level, because from the poorest stratum to the upper class, there is homogeneity in the support of the model this government is pursuing."

He went on to say that "in reality, the vast majority of the citizens of Peru—and a majority means democracy—have cast their lot with this type of administration—not organization based on membership, but rather identification with the goals and methods of the government. If a situation such as that you mention, based on a healthy determination, were to arise, I would favor it. What has done harm to the parties and, in the process, led to failure for the country—and the parties were responsible for this—is that promises were made that were simply deceptions. They represented manipulation of the masses within a framework of inefficient party administration. Would anyone oppose the building of schools, the stabilization of the economy? Would anyone oppose what we might achieve?

"The battle against poverty," he went on to say, "requires a strategy. There used to be talk about the theory that poverty generates violence, and that to eliminate violence, it is necessary to eliminate poverty. I do not engage in this kind of debate, and I have said so. The primary thing here is to eliminate violence, to provide security of all kinds, and only then can we combat poverty. Now we have a foundation for combating poverty. Just ask the people in the affected zones of the country." (EL MUNDO 21 Apr 95)

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Venezuela

Foreign Minister on International Relations

PA0605200195 Caracas EL UNIVERSAL in Spanish 2 May 95 pp 1, 12

[Report on interview with Foreign Minister Miguel Angel Burelli Rivas by Clodovaldo Hernandez at the Foreign Ministry in Caracas: date not given]

[FBIS Translated Text] Inconsistency. That is Foreign Minister Miguel Angel Burelli's assessment of the average Venezuelan's understanding of democracy. After going through the upheaval in relations with Colombia sparked by the Cararabo incident, the foreign relations minister has affirmed his opinion. Now more than ever, he believes that many people talk as if they could not contain a physiological need. "Ours is a democracy without sphincters," he said with a certain bitterness.

From Casa Amarilla [Foreign Ministry], Burelli referred to the Colombian issue, a sort of inescapable focal point for any debate on Venezuela's international relations.

[Hernandez] Why didn't you and the president react in a timely fashion during the Cararabo incidents?

[Burelli] We reported it to the Colombian president on the morning of the same day. On the day of the assault, I remained in constant telephone contact. I was one of the few government officials in Caracas, so I had to take charge of the matter. On the contrary, we responded quickly that very afternoon, at the request of President Caldera. Colombia sent the first military unit.

[Hernandez] There are a lot of crazy people on the loose in government parties who are saying things contrary to our diplomatic interests and strategies. Why doesn't the government tie up its lunatics?

[Burelli] Because in this nation, democracy has a special latitude. Anyone who runs a traffic light justifies it by saying that this is a free, democratic nation. The people on the street interpret it as a democracy without sphincters. The day that people stop at a red light, we will have a democracy that works. Because no one can interfere with freedom of speech in Venezuela, everyone feels he has the right to give the foreign minister a lesson in diplomacy, or the defense minister a lesson in strategy, or the president of the Republic a lesson in leadership.

These things are part and parcel of democracy. But in the end, the only voice that prevails is that of the president and of his foreign relations spokesman, who is the foreign minister. The international community should receive the rest as a sort of inventory. It is an account of the person making the statement. The only one who engages the nation in international affairs, after the president, is the foreign minister.

[Hernandez] What is the possibility of Venezuela and Colombia signing an agreement to freeze military purchases?

[Burelli] That is a good point. The problem is that Colombia has a permanent guerrilla situation. I do not know if it could make such a commitment when the guerrillas, who are the armed wing of drug traffickers, have all the money in the world.

[Hernandez] Agents of drug traffickers, guerrillas, dogs of war, xenophobists, chauvinists, radicals, and ignoramuses are fishing in muddy waters. Are there no serious critics of Colombian-Venezuelan relations?

[Burelli] There are very serious people around. For example, I would mentioned Doctor (Pedro Jose) Sara Lena. Within the position he defends, he is the most serious person of all those who have expressed their points of view on Colombia. That is because his position is one of love for Venezuela, not hate for Colombia. There are many analysts who hold positions of peace and coexistence. But it is the loud mouths who take the initiative, people with less knowledge of the problem or who have a personal hatred for the neighboring country and want it endorsed.

[Hernandez] Are Colombia and Venezuela's commercial interests — as some say — the escape valve that protects us from a war or from a cooling of relations?

[Burelli] No, they are not an escape valve. Nevertheless, they should be analyzed by those who tout the conflict. Colombia is the natural spillover of the Venezuelan economy, and it will give us an advantage of approximately $700 million in the trade balance.

[Hernandez] Victorino Marquez Bustillos, a politician you greatly admire, has said that a good politician drops soft cotton as he passes, not sharp glass. Is that Venezuela's policy toward Colombia? Have we been too soft?

[Burelli] It is not that I admire him a great deal, but I analyze him. My attention is drawn to the fact that he is the only politician of his hierarchy who was never sent into exile or to prison. He was a rare bird. I believe he applied that sentence to domestic issues. We have played a fair, firm game with Colombia. Anyone who says the contrary does so because he does not know the truth. There was once a great diplomat here called Santos Michelena. He obtained Colombia's recognition of the Orinoco's left bank border with vast territories on this side and half of the Guajira.

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Venezuelan politicians refused to ratify the treaty to keep him from putting an enormous feather in his diplomatic cap and thereby being elected president of the Republic. This political decision was a tragedy that led us to the protocol signed at the end of the century, which resulted in an enormous loss of territory. We lost due to our political clumsiness, not because of diplomatic stupidity. Who won Los Monjes? It was a diplomat, Luis Geronimo Pietri. Who put us in an advantageous position with British Guiana? It was a diplomat, Luis Alejo Fortique. Venezuelan diplomacy is not the sinner. It is the petty Venezuelan policy that cannot acknowledge someone who succeeds but seeks to put under anyone who stands out.

[Hernandez] Proposals such as the militarization of the border, hot pursuit, and similar actions could lead Venezuela into a war in which it is not interested.

[Burelli] I hope we are coolheaded enough not to get involved in any war unless we are invaded. The only war Venezuela could get involved in would be to defend its integrity or to repel an invasion. Venezuela will not attack anyone because that would break its secular tradition, which is a source of great pride. It is the only nation in the hemisphere that has not been engaged in an international war with anyone. That is why I fear that people who have nothing to lose and who do not listen as much as they hate could, at an unfortunate moment, ignite public opinion. We who manage relations and you who create public opinion must be stronger and more responsible.

Fifty Years of "Peace"

Burelli Rivas talks of the international system with an academic objectivity characteristic of someone who is no longer deceived. He could make anyone believe he was before an iconoclast.

In a recent meeting in Merida with Colombian Foreign Minister Rodrigo Pardo, Burelli recalled that the five permanent members of the UN Security Council have sold $9 out of every $10 in the weapons industry since 1945.

[Hernandez] Can it be that 50 years later, the United Nations remains a club of World War II winners, agreeing to avoid a third war but very happy to foster all types of smaller wars?

[Burelli] The weapons industry is like any other industry that supports many people. In addition, it is an opportunity to develop technology, and no industrialized nation is going to hold back the impetus of new technologies.

The main achievement of the United Nations and its Security Council is that they have given humanity 50 years of conventional peace. Although it cost us 23 million dead in localized violence and war, it has prevented a conflict of universal magnitude, such as the past two wars.

[Hernandez] Isn't that the same as saying that the Security Council only guarantees peace for its permanent members, not for the other the nations?

[Burelli] Well, by guaranteeing its security, it guarantees that of other nations. It is not precisely an exercise in altruism, but it knows that the ceiling will fall and the floor will sink for everyone on the day there is another world war, therefore, by defending themselves, we benefit from the relative peace in the world.

A Power That Does Not Think

The foreign minister gets all worked up when he talks about the role of the media in society. His experience with reporters has not been good. For him, the press is an all-embracing power that does not exercise its duty to think.

[Hernandez] You have frequently spoken about the importance of the media and how some are the "useful idiots" of weapons dealers. We suppose they do not do this naively. Why do they do it?

[Burelli] At my age, naivete has evaporated. I always have a bone to pick with the media, to which I have belonged because I am an announcer and have worked with newscasts and newspapers. I find that the quality of the news decreases proportionately as the rank of the reporter increases. Practically all of them hold a degree. Before, when the editorial room cleaning man was able to climb the ladder in that marvelous career of self-improvement that existed in Venezuela, where he took notes at an interview, there was great information maturity. This little machine (he said, pointing to the recorder) that reporters put before your nose everywhere exempts them from the duty of thinking, which Solomon said is the most trying duty God gave man. There is a contradiction, on the one hand, between the demand that a reporter possess a university degree and, on the other hand, the absolute uselessness of the degree because he is relying on the recorder. Usually only that which serves the newspaper or the scandal — which appears to be the brew cultivated by the media — is extracted. This is particularly serious because right now the media is the first power and doesn't even realize it. It harms the world, pits nation against nation, and doesn't even realize it. It is important that the media remember its power and exercise moderation.

[Hernandez] Do you believe there is some connection between the media, as companies, and arms dealers to create a favorable climate for conflict?

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[Burelli] There is such a large concomitance in businesses that, aside from reporters who earn a living from their profession, there are economic connections that can reach all media, and they are not blameless. If someone wants to send weapons to a specific place, all he needs to do is suggest that another country is preparing itself, thereby creating here, through a series of spokespersons, a situation that forces us to buy weapons. In that they are very diligent. It would be well worth an investigation.

Blinders for Cuba

Aside from everything that has occurred following the Cararabo incidents, the most controversial moment Burelli has experienced in his 14 months at the Casa Amarilla was probably when Venezuela decided to change what had been a traditional position on the human rights situation in Cuba. Political circles say the chief of state decided to make this change because he was upset by the welcome Fidel Castro accorded retired Colonel Hugo Chavez Frias.

[Hernandez] How does a foreign minister feel when the president makes a decision that has personal innuendoes on a foreign policy problem, such as in this case?

[Burelli] As far as I can recall, President Caldera has not made any personal decision that is not in keeping with my thinking. If that had happened, I may have thanked him for the honor bestowed upon me and asked to be relieved. Nevertheless, the decision to change the vote on human rights issues in Cuba was totally shared. We would lose moral authority before the world if we defended human rights where they are violated. We are not wearing blinders that keep us from seeing that this situation in Cuba has not improved.

Looking to the South

The rapprochement with Brazil, and through it with Mercosur [Common Market of the South], was qualified by Burelli Rivas as the most significant diplomatic event of these times. The foreign minister gave substantial economic reasons for such optimism.

[Burelli] By 30 June, we will have negotiated a free trade zone that will facilitate transactions between the two South American integration projects.

[Hernandez] Could one say that this coalition of economic integration organizations is a priority for Venezuela?

[Burelli] For the time being, with our feet on the ground and talking in terms of money, we are interested in the Andean Pact and Mercosur; they are our projects. They resemble us and will give Latin America a unique autonomy and personality to come before the world as a valid spokesman for large continental associations. Mercosur alone includes 200 million people. That is a market greater than Russia. That is why I say that the most important diplomatic event is Venezuela so far has been its rapprochement, in all fields, with Brazil.

[Hernandez] Can we consider the problems with border incidents, illegal mining, and the massacre of the Yanomami over?

[Burelli] One cannot consider such matters that involve neighbors as definitely resolved. Thanks to our friendship, we nipped the problems of the garimpeiros [Brazilian gold seekers] and illegal mining in the bud, but they could spring up again as the temptation of gold is there and is very big. As is well known, this is not managed by local interests but is monitored by supranational interests outside this hemisphere.

Against Neoprotectionism

In an international scenario marked by globalization and large trade blocs, often the main enemies of free trade are precisely those who appear before the world as champions of the doctrine. Burelli Divas is aware of this but trusts that the international mechanisms designed to regulate trade flows can resolve this irregularity.

[Hernandez] Does the big powers' protectionism turn the guarantee mechanisms of free trade, such as the GATT, now the WTO, into a pantomime?

[Burelli] Yes and no. It is simply human for people who feel their economic interests are being threatened to try to get around the mechanisms established for free trade. The important thing is to be alert to this and to know that these mechanisms have their own clauses to defend weak nations from neoprotectionism, as we are doing. We are the first nation to sit down with the United States at a panel on the GATT to review the issue of our reformulated gasoline, which is purer than North American gasoline. The local producers want to say it is contaminated and use ecological reasons to wipe us off the market.

Neoprotectionism blooms and dresses up as a defender of animal rights, the environment, human rights, child labor, and women. Every day it will acquire more outfits because some people are not resigned to free trade. Nevertheless, today's world is democratic, and democracy is political freedom but with democratic freedom also.

On This and That

[Hernandez] How many more ambassadors will be brought before the Comptroller General's Office?

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[Burelli] That does not depend on me but on the investigations. For now, we will pass on a case of a consulate where there is a deficit.

[Hernandez] You were a candidate in 1968 and in 1973. In 1989, you commented that the Peter Principle had saved us from a new candidacy by Louis Pinerua Ordaz. Who or what saved us from another candidacy by you?

[Burelli] Anyone or anything did, because I do not have aspirations. I am a fulfilled person. I sought power because I believed I could change the nation through education. I did not achieve this. It was a game: I was going to win or lose. I lost and the game is over. I am at peace with my conscience. I am lending a service, maybe at the end of my life, beside a man who represents what the nation needed at the time: majesty of power, honor at home, correction in the administration. That is why I am here.

[Hernandez] In his letter of intent, Caldera spoke of ending anarchy and the proliferation of institutions with a say in foreign policy. Nevertheless, he created another ministry on border affairs. Who understands him?

[Burelli] From an international viewpoint, that ministry is not on border affairs. International border affairs are handled only by the Foreign Ministry. This ministry's role is one of settlements, services, the nation's presence in geographic terms in the territory. It just appears at times as if they overlap, but the nation's international voice, on all international issues, is the Foreign Ministry.

[Hernandez] The majority of diplomatic structures (agreements, mechanisms, international organizations, etc.) were thought up or realized under the Carlos Andres Perez administration. As a fierce opponent of the former president, how does it feel to be playing on a stage set up by him?

[Burelli] It does not feel at all inappropriate, because he was a president who continued a policy that is constant, as international policy should be.

Defense Minister Denies Troops Raided Colombian Territory

PA0905012795 Caracas EL NACIONAL in Spanish 7 May 95 p D-2

[Report by Adela Leal]

[FBIS Translated Text] Defense Minister Division General Moises Orozco Graterol flatly denied yesterday that Venezuelan troops have violated and raided Colombian territory, abusing workers and spreading terror.

EL NACIONAL asked him over the telephone about a cable dispatch from Santa Fe de Bogota saying that Venezuelan National Guard soldiers had raided a farm in Guaramito, near La Fria, in the northern part of Santander Department, where they agitated workers and fired machine gun bursts.

He said this is completely untrue and that he had received no reports from Task Group 1.3, the unit that operates in the area and reports to him constantly. He said that he had talked to Task Group 1.3 Commander Col Garcia Montoya, who confirmed the falseness of the report. Orozco also said that he has received no communication from the Colombian High Command, with whose members he also keeps constantly in touch.

He described the report as one circulated by people interested in creating a conflict between the two countries. It is a fabrication, which the media should not pay attention to, he said. There are people bent on portraying us as a crazy people who violate territories to invade and attack. This is not our policy at all. The Venezuelan military forces cross borders into other countries only to liberate people, as has been demonstrated in the past. We will never cross any borders to harass anyone, he said.

The defense minister called the attention of the local media not to take seriously everything that comes out of Colombia. He recommended caution and a greater understanding of the Venezuelan position.

Minister Denies Plans To Dismiss Military Court Judges

PA0705235395 Caracas EL UNIVERSAL in Spanish 5 May 95 Section 1 p 11

[Report by Berenice Gomez Velasquez]

[FBIS Translated Text] On leaving the Nationl Cemetery after attending the ceremony for the commemoration of the 200th birthday of General Jose Gregorio Monagas, Defense Minister General Moises Orozco reiterated to reporters that he has never said he is going to dismiss Military Court judges or dissolve the Military Court.

[Unidentified reporter] Are you going to dismiss the Military Court?

[Orozco] I have never said that.

[Reporter] But it is being said that you have said it.

[Orozco] What I have said and I will say again is that I have been conducting an investigation and I am still doing that. We will get to the bottom of this and apply the full force of the law on whoever is found responsible. Investigating a person is one thing and dismissing all the judges of the institution is another.

[Reporter] What irregularities are you investigating?

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[Orozco] I cannot tell you that until the investigations are over, because the suspects would erase the evidence.

[Reporter] The attorney of the prosecutors arrested and being held at the Military Intelligence Directorate has affirmed that General Eumenes Fuguett Borregales, head of the Secretariat of the Defense Ministry, exerted pressure on the prosecutor of the case so that he would not file charges against his brother. Is this true?

[Orozco] That is absolutely false. That person is lying.

[Reporter] When will you appoint the military prosecutor general and his two alternates?

[Reporter] In due time.

In saying this, Minister Orozco got into his armored car.

Development Minister Explains Anti-Inflation Pact

PA0705042595 Caracas EL GLOBO in Spanish 4 May 95 p 2

[FBIS Translated Text] Development Minister Werner Corrales announced yesterday that the president is "committed to ensure compliance" with the anti-inflation pact proposed by the government to business and labor sectors.

Corrales is thus replying to a request made by the Venezuelan Workers Confederation for the president to be a pact guarantor and not an honorary witness, as planned.

Corrales said that the anti-inflation pact will be signed once President Caldera returns from his trip to Italy, which ends on 8 May.

The pact was not intended to be signed today (yesterday), Corrales said, who added that a "general consensus" on the pact's concepts was reached on Tuesday evening.

This evening's meeting was attended by members of the National Cattlemen's Federation, Fedeagro [National Federation of Agricultural-Livestock Producers], community organizations, and several cooperatives, with the exception of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry], because they were holding a board meeting.

Minister Corrales clarified that the anti-inflation pact is planned as a letter of intent that will be signed so that those sectors involved can begin to discuss policies aimed at controlling inflation. The anti-inflation pact's duration will be decided during these discussions.

Central Bank Announces Increase in International Reserves

PA0705205895 Caracas EL UNIVERSAL in Spanish 5 May 95 Section 2 p 4

[FBIS Translated Excerpt] Antonio Casas Gonzalez, president of the Central Bank of Venezuela [BCV], announced today that international reserves have increased $200 million. He added that operating reserves have once again exceeded $7 billion, but he did not give an exact figure.

The high-ranking official made the aforementioned statements upon leaving an official ceremony at the National Pantheon to honor national hero Jose Gregorio Monagas.

He explained that the increase in reserves over the last few weeks stemmed from the hike in petroleum prices, saying that this will have an important effect on the country's revenues.

According to the latest BCV figures disclosed on 26 April in its bulletin of weekly indicators, total BCV international reserves registered a $188.8-million drop between 10 and 24 March, totaling $10.9495 billion.

Operating reserves registered a $53.2-million drop, going from $7.1442 billion to $7.0972 billion, while totals were set at $11.0539 billion.

Regarding the anti-inflation plan, Casas reiterated that the upcoming bond issues are going to help reduce inflationary pressure. [passage omitted]

Fedecamaras To Propose Modifications to Anti-Inflation Pact

PA0705190795 Caracas Venezolana de Television Network in Spanish 1550 GMT 4 May 95

[From "The News" newscast]

[FBIS Translated Text] When President Rafael Caldera returns from his official visit to Rome, we will finally learn about the much awaited anti-inflation pact when it is signed. But this letter of intent could very well remain just that: an intention. The Venezuelan Federation of Associations and Chambers of Commerce and Industry [Fedecamaras] disagrees with the project and will soon present its modification proposals to the executive branch.

Fedecamaras will hold a special Board of Directors meeting this Monday to discuss its participation in the anti-inflation pact. Despite the urgency to sign the pact, which is directed at countering inflation, agreement on a solution seems to be moving away from the negotiating table. The business sector is afraid of losing benefits. In

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their opinion, they would be committing themselves to making sacrifices without first defining the ground rules.

[Begin Fedecamaras President Jorge Serrano recording] As soon as we finish our discussions, we will present our final decision on this agreement or pact, which I personally believe could be very beneficial for the whole country. [end recording]

Those most affected by the crisis, the workers, hope the executive branch will not bend under pressure from the business sector. ILO [International Labor Organization] Secretary General Luis Andersen said the Venezuelan government's proposal should focus on benefiting the working class, which has given its sweat and blood during the country's crisis.

[Begin Andersen recording] These pacts are necessary and good. They are only effective, however, if all sectors adhere to them. In Venezuela, I am afraid there is strong resistance and reticence on the part of Fedecamaras, for example, to join the pact. Fedecamaras has gone as far as to threaten not to sign the pact as it stands today. This loosens one of the legs of the negotiating table. If they do not join the pact, they could, for example, agree to strict price controls. [end recording]

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